Republic of Rwanda
Ministry of Education

RTB | RWANDA TVET BOARD

RQF LEVEL 5

ALL TRADES

CCMBO5

Entrepreneurship

TRAINEE'S MANUAL

April 2025

Republic of Rwanda
Ministry of Education

RTB | RWANDA TVET BOARD

ENTREPRENEURSHIP

2025

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KIGALI-RWANDA

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LIST OF ABBREVIATIONS AND ACRONYMS

CBET: Competence Base Education and Training

FC: Fixed Cost

PPE: Personal Protective Equipment

RQF: Rwanda Qualification Framework

RS: Rwandan Standard

RSB: Rwanda Standards Board

RTB: Rwanda TVET Board

SWOT: Strength, Weakness, Opportunity and Threats.

TVC: Total Variable Cost

TVET: Technical and Vocational Education and Training

VC: Variable Cost

MIFOTRA: Ministry of Public Service and Labor

REMA: Rwanda Environmental Management Authority

RAM: Responsibility Assignment Matrix

RACI: Responsible, Accountable, Consulted and Informed

RDB: Rwanda Development Board

R&D: Research and Development

SRM: Supplier relations, or supplier relationship management

INTRODUCTION

This trainee's manual encompasses all necessary skills, knowledge and attitudes required **to organize a business**. Students undertaking this module shall be exposed to practical activities that will develop and nurture their competences. The writing process of this training manual embraced competency-based education and training (CBET) philosophy by providing practical opportunities reflecting real life situations.

The trainee's manual is subdivided into units; each unit has got various topics. You will start with a self-assessment exercise to help you rate yourself on the level of skills, knowledge and attitudes about the unit.

A discovery activity is followed to help you discover what you already know about the unit.

After these activities, you will learn more about the topics by doing different activities by reading the required knowledge, techniques, steps, procedures and other requirements under the key facts section, you may also get assistance from the trainer. The activities in this training manual are prepared such that they give opportunities to students to work individually and in groups.

After going through all activities, you shall undertake progressive assessments known as formative and finally conclude with your self-reflection to identify your strengths, weaknesses, and areas for improvement.

Do not forget to read the points to remember section which provides the overall key points and takeaways of the unit.

Module Units:

Unit 1: Perform business opening activities

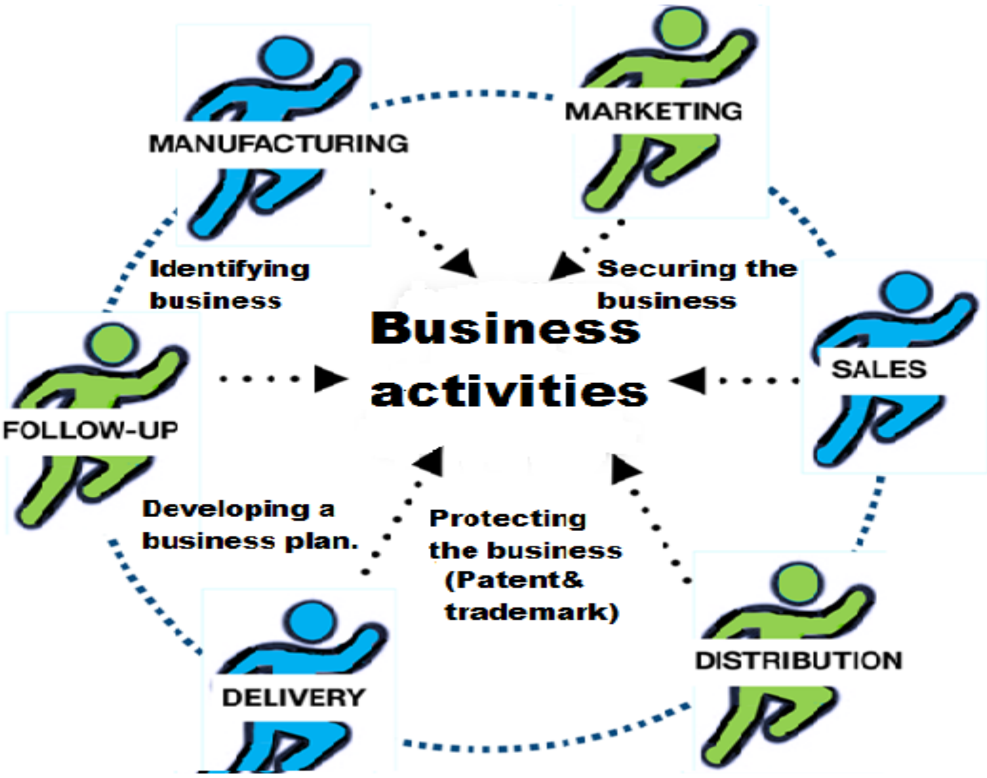
Unit 2: Create a productive working environment

Unit 3: Perform business operations

Unit 4: Respond to customer need

Unit 5: Monitor and evaluate the business

UNIT 1: PERFORM BUSINESS OPENING ACTIVITIES



Unit summary

This unit provides you with the knowledge, skills and attitudes required to perform business opening activities required to organize a business plan. It covers verification of Business start-up requirements, recruitment of business employees, purchasing of business requirement

Self-assessment: Unit 1

1. Referring to the unit illustration above, answer the following questions:
   a. What does a picture above illustrate?
   b. What a person is doing?
2. Based on the illustration, what do you think this unit is concerned?
3. Fill and complete the self-assessment table below to assess your level of knowledge, skills and attitudes under this unit.
   a. There is no right or wrong way to answer this assessment. It is for your own reference and self-reflection on the knowledge, skills and attitude acquisition during the learning process.
   b. Think about yourself: Do you think you have the knowledge, skills and attitudes to do the task? How well?
   c. Read the statement across the top. Put a check in a column that represents your level of your knowledge, skills and attitudes
   d. At the end of this unit, you will reassess yourself.

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Explain the business requirements					
Verifying business start-up requirements.					
Consider the business professional ethics while verifying the business start-up requirements					
Identify the process of		.			

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
employees' recruitment					
Demonstrate teamwork spirit identifying the process of employees' recruitment					
Describe the steps of business requirements estimation.					
Describing business requirements estimation					
Define the term "purchasing "					
Identify the purpose of purchasing.					
Purchasing of business requirements					
Identify Purchasing principles.					
Describe purchasing procedures.					
Describe the documents used in purchasing.					

Key Competencies:

Knowledge	Skills	Attitudes
1. Explain the business requirements	1. Verify business start-up requirements	1. Consider the business professional ethics while verifying the business start-up requirements
2. Define the employee recruitment	2. Recruit business employees	2. Being transparent while recruiting business employees.
3. Identify the process of employees' recruitment	3. Estimate business requirements.	3. Demonstrate teamwork spirit identifying the process of employees' recruitment in group.
4. Describe the steps of business requirements estimation.	4. Purchase business requirements	
5. Define the term "purchasing "		
6. Identify the purpose of purchasing.		
7. Identify Purchasing principles.		
8. Describe purchasing procedures.		
9. Describe the documents used in purchasing.		

Discovery activity:

Task 1: Read and answer the following questions

1. In different communities of Rwanda, there are business activities such as manufacturing, farming, trade, and hospitality among others which have been successful. Suppose that you are managing a hospitality business where by you are verifying the business start-up requirement:
   a. How can you define the term business requirements?
   b. What steps you can follow and while estimating the business requirements?
   c. Outline the factors that influence the business location
   d. Give examples of office furniture and supplies
   e. While running hospitality business, outline examples of equipment, machinery and production consumables you may need.
   f. What sources of raw materials you may need for initial storage?
   g. Any business needs finance. What is the difference between start-up finance and financial management?
   h. Is it important to manage finance? If it is Yes, how important is it?
   i. Which means/methods you can use to evaluate the sources of business capital?
   j. How can you allocate financial resources of a business?
2. Suppose that you are the managing director of a Suit Juice Company (SJC) and you are hiring Production Manager:
   a. The following are the meaning of the employee recruitment. Choose the right one:
      i. Employee recruitment refers to the process of finding the trainees for any company
      ii. Employee recruitment refers to the way all recruited employees are organized and managed

iii. Employee recruitment refers to the process of finding and hiring the best-qualified candidates from within or outside of organization for job opening in timely and cost effective manner.

iv. All of the above

v. None of the above.

b. What do you think are functions of employee recruitment?

c. What process can you follow to recruit the right employees for Suit Juice Company (SJC)?

d. What principles and strategies you can apply for recruiting the competent Production Manager for SJC?

e. What are the internal and external factors that you can influence the employee recruitment?

3. As a Managing Director of Suit Juice Company, you are planning to purchase business requirements.

a. How can you define the term purchase?

b. What is the main purpose of purchasing?

c. Differentiate centralized and decentralized purchasing.

d. What principles and procedures of purchasing you can adopt?

e. Give examples of purchasing documents that Suit Juice Company will keep.

Topic 1.1: Verification of Business start-up requirements

Figure 1: Business start-up requirements

Task 2: Refer to the illustration above and answer the questions below:

1. How can you define the term business requirements?
2. What steps you can follow and while estimating the business requirements?
3. Outline the factors that influence the business location
4. Give examples of office furniture and supplies
5. While running hospitality business, outline examples of equipment, machinery and production consumables you may need.
6. What sources of raw materials you may need for initial storage?

Key fact 1.1: Verification of business start-up requirement

- **Meaning of business requirement**

  All businesses should have requirement for their smooth running and fruitfulness. It means that there are prerequisite that any type of the business being small or big should fulfil to operate and be profitable.

Business requirement is something that business needs to do or to have in order to stay in business. Business requirement help the business to deliver highest value to the customer. Or

A business requirement is also defined as a fundamental need or expectation that a company has for a project, system, or new product. [1]

Business requirement may include the following:

- ✓ Process they must complete.
- ✓ A piece of data they need to use for that process
- ✓ A business rules that governs that process and that data.
- ✓ The importance of the project
- ✓ The criteria for evaluating the project's progress
- ✓ Different office equipment’s like office Equipment’s.
- ✓ Office furniture’s
- ✓ Offices supplies.
- ✓ Resources such as financial, raw material, human, technological, and many others.
- ✓ Business aims and objectives.

- **Steps of business requirements estimation.**

The following are steps followed by an entrepreneur while estimating business requirements:

- ✓ **Break the effort into manageable pieces.** We can estimate a whole lot better when our business analysis phase(s) are small. It is easier to estimate specific business process than business process.
- ✓ **Choose your approach.** We will estimate differently if we are using adequate approaches
- ✓ **Use a variety of estimating techniques.** On many projects we cannot be precise about our estimates when we’re first asked how long business analysis will take. We usually use analogous estimating, or experience with a previous project. If we have good history, we might be able to use parametric estimates. For example, if we know that it takes four hours to

[1] https://shorturl.at/2vqyM

model a business process and we have five processes to model, it will take twenty hours to model business processes.

- ✓ **Brainstorm.** Talk with the people who are actually going to do the work. They usually have a more realistic idea of what needs to be done and how long it will take.
- ✓ **Identify all the deliverables/artefacts.** Make sure you know your deliverables before attempting to identify the tasks needed to produce them. Here are a few examples of deliverables: User stories, agendas and minutes.

- **Steps guiding to start a business**

Starting a business is not a single step. An entrepreneur has to go through different steps guiding to start a business. The following are steps guiding to start a business.

- ✓ Think the business idea
- ✓ Do market research
- ✓ Get feedback
- ✓ Make it official
- ✓ Write your business plan
- ✓ Finance your business
- ✓ Develop your product
- ✓ Start building your team
- ✓ Find a location
- ✓ Start getting some sales
- ✓ Grow your business.

- **Business location requirement and factors influencing choice of business**

Business location A business location is the physical place where a company conducts its operations, such as a store, office, or other establishment. A good business location can give a business an advantage by balancing operational costs, potential revenue, and target customers. Business location is simply defined as a place or structure occupied by a firm to run its operations.

The business location is made of:

- ✓ Working place layout
- ✓ Office equipment
- ✓ Office furniture
- ✓ While choosing the business location, a business person has to carryout careful assessment of cost. The ideal location would be one where cost is minimized for maximizing business profit.

- **Factors influencing choice of business location:**

  Selection of a business require many factors. It is better to consider some factors while choosing a business location. The factors considered are as follows:

  - ✓ **Cost**: Real estate, taxes, parking, and other operating expenses
  - ✓ **Accessibility**: How easy it is for customers and delivery people to access the location
  - ✓ **Foot traffic**: How many people pass by the location, which could be potential customers
  - ✓ **Competition**: Evaluating the competition in the area
  - ✓ **Political factors/ Economic policy**: Tariffs, quotas, and access to trading blocs
  - ✓ **Wage levels**: Comparative international wage levels
  - ✓ **Restrictions**: Freedom from restrictions that could increase costs or limit production methods.

  Other factors may include:

  - ✓ Availability of raw materials
  - ✓ Nearness to the market
  - ✓ Availability of basic infrastructure
  - ✓ Demographics
  - ✓ Psychographics [2]

- **Description of raw materials for initial storage.**
  - ✓ **Raw materials** are materials or substances used in the primary production or manufacturing of goods.

[2] https://tinyurl.com/58bumdwn

- ✓ **Raw materials** are also the input goods or inventory that a company needs to manufacture its products. **Examples of raw materials** include wood, sheet, water.

- **Sources of raw materials for initial storage**

  Sources of raw materials refers to the area where raw materials for the business production are obtained from.

  Raw materials come from various sources, depending on the type of material and its intended use. Here are some key categories and their sources:

  - ✓ **Natural resources** such water, minerals, timber, ….
  - ✓ **Agricultural resources** such are crops and animal products.
  - ✓ **Renewable resources** such biomass and recycled materials
  - ✓ **Waste materials** like industrial waste[3]
  - ✓ **Synthetic Materials** such as petrochemicals and chemicals
  - ✓ **Geological Resources** such as fossil fuels (Natural gas, oil, coal, …)

    The raw materials used by any business may be expensive of cheap based of the kind of the product that a business is dealing with. It better to select the sources that is cost effective for maximizing the business profit.

    The sources of a raw materials may be obtained from:

    The locality where the business operates

    Other firms/ businesses that produce them

- **Production equipment and machinery.**

  [4]**Production equipment and machinery** are essential for manufacturing, research and development, and testing operations.

  Production Machinery and Equipment means any production or process machine(s) or apparatus that processes raw materials into finished goods.

  They may include:

  - ✓ Hand tools.
  - ✓ Industrial system
  - ✓ Cement mixer

[3] https://www.quora.com/What-are-the-sources-of-raw-materials
[4] https://www.investopedia.com/terms/r/rawmaterials.asp

- ✓ Ready-mix concrete trucks
- ✓ Rock crushers
- ✓ Wheelbarrows
- ✓ Handcart
- ✓ Hot steel rolling machine
- ✓ Forklifts

- **Production consumables.**

  Production Consumables[5] are materials used in the production process that are consumed and need to be replaced regularly.

  Consumables can also refer to items used by businesses and individuals, such as office supplies, cleaning supplies, or restaurant food ingredients. Consumables are materials that are consumed during the use or operation of a product and need to be replaced frequently.

  Examples: Machine oil, printer ink, sandpaper, lubricants, solvents, cooling fluid, and sanding discs.

- **Description of start-up finance.**

  Financial management refers to the strategic practice of monitoring, controlling and reporting on a company's financial resources to achieve its goals. Financial management involves controlling, protecting, on a company's financial resources, cash flow, credit, investment, risk assessment and procurement.[6]

- **Importance of financial management.** [7]

  Financial management is a practice which is very crucial for the business as follows:

  - ✓ **Set and achieve goals**: Financial management helps businesses set clear objectives and use resources wisely to meet them.
  - ✓ **Make informed decisions**: Financial management helps businesses make critical financial decisions.
  - ✓ **Maximize shareholder value**: Financial management helps businesses increase profitability and efficiency, which leads to higher returns for investors.

[5] https://tinyurl.com/y2fckwje
[6] https://tinyurl.com/52we6dkr
[7] https://tinyurl.com/59vykdy8

- ✓ **Improve transparency and accountability**: Financial management ensures that all financial activities are clearly tracked and reported.
- ✓ **Ensure compliance with regulations**: Financial management helps businesses ensure they comply with regulations.
- ✓ **Protect funds**: Financial management helps businesses protect funds to achieve future business objectives.

- **Quantity of financial needs.**[8]

  Business finance means the funds and credit employed in the business.

  Business financial need refers essential expenses required to meet all business operations.

  Without adequate financial resources, your business will have a hard time finding footing.

  Entrepreneurs also need to be realistic about how long it will take for revenues to catch up to costs.

  You may need to endure losses for one or two years of operations.

  Financial needs are all finance that a business needs to finance its operations.

  - ✓ The quantity of financial needs for the business depends on the kind of the business, the expenditures required, the nature of products to be produced, the profits intended
  - ✓ To ensure that you have adequate funds, it's vital to estimate your financial needs before starting a new business. Use the following steps:

    Step 1: Figure out your expenses. It means add up costs.

    Step 2: Calculate your financial resources (Estimate how much money you will have at your disposal).

- **Identification of sources finances.**

  The needed finance may be obtained from different sources such as

  - ✓ **Personal investment:** Most start-ups require some personal investment by the entrepreneur either cash or personal assets used as collateral to secure financing

[8] https://www.bdc.ca/en/articles-tools/start-buy-business/start-business/determining-financial-needs-new-business

- ✓ **Friends and family contributions:** Many entrepreneurs rely on capital from families and friends (sometimes known as "Love money")
- ✓ **Debt financing:** Lenders offer various types of debts financing including term loans and credits. Some lenders specifically designed for new business ventures that come with flexible repayment terms.
- ✓ **Outside equity financing**: Businesses with high growth potential may be able to secure start-up money from angel investors, business incubators (accelerators)
- ✓ **Grants and subsidies:** Some companies may be eligible for government grants and subsidies to help with start-up costs.

- **Evaluation of sources of business capital.**[9]

  A business faces three major issues when selecting an appropriate source of finance for a new project:

  - ✓ Can the finance be raised from internal resources or will new finance have to be raised outside the business?
  - ✓ If finance needs to be raised externally, should it be debt or equity?
  - ✓ If external debt or equity is to be used, where should it be raised from and in which form?

  The following are major factors that a company has to consider while evaluating sources of business capital:

  - **The cost of finance:** Debt finance is usually cheaper than equity finance. This is because debt finance is safer from a lender's point of view. Interest has to be paid before dividend.
  - **The current capital gearing of the business:** Although debt is attractive due to its cheap cost, its disadvantage is that interest has to be paid.
  - **Security available:** Many lenders will require assets to be pledged as security against loans.

[9] https://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f9/technical-articles/selecting-sources.html

- **Business risk:** Business risk refers to the volatility of operating profit. Companies with highly volatile operating profit should avoid high levels of borrowing as they may find themselves in a position where operating profit falls and they cannot meet the interest bill.
- **Operating gearing:** Operating gearing refers to the proportion of a company's operating costs that are fixed as opposed to variable. The higher the proportion of fixed costs, the higher the operating gearing. Companies with high operating gearing tend to have volatile operating profits.
- **Voting control:** A large issue of shares to new investors could alter the voting control of a business.

- **Allocation of financial resources**

  Resource allocation is the process of assigning available resources to a project or task to achieve business objectives. It involves identifying the resources needed, determining how to use them best, and then assigning them to different activities. Resource allocation can involve assigning a variety of resources, including:

  ✓ **People**: Team members, employees, or other personnel

  ✓ **Equipment**: Tools or machines

  ✓ **Time**: How much time to allocate to a task

  ✓ **Finances**: Budget or other financial resources
  Effective resource allocation can help maximize the impact of resources while also supporting the goals of a team.

- **Some challenges that can arise while allocating resources:**

  ✓ **Resource scarcity**: When demand for a resource is greater than supply

  ✓ **Scope creep**: When changes are made to a project without a change procedure

  ✓ **Resource over allocation**: When more resources are allocated to a task than is needed.

  ✓ **Skill shortages**: When it's difficult to find people with the right skills

  ✓ **Miscommunication**: When there are multiple departments in a business

  ✓ **Poor visibility**: When there isn't enough clarity about a project.

Activity 2: Guided Practice

Task 3: Read the scenario given below and answer to the related questions

MIGAMBI is interested in starting a fruit juice small business; however, he lacks comprehensive information about this type of venture. As a Level 5 student with knowledge in business organization, assist him in evaluating the readiness of his business start-up requirements.

Activity 3: Application

Task 4: Read the scenario given below and answer to the related questions:

Upon successful completion of Level 5 in food processing, it is anticipated that individuals will be prepared for either employment or self-employment. Assuming the choice is to establish a small yogurt processing unit, estimate and evaluate all factors necessary for starting and operating the business.

Topic 1.2: Recruitment of business employees

Activity 1: Problem Solving.

Task 5: Refer to the above illustration and answer the question on it

1. What does the above illustration illustrate?
2. How can you define employee recruitment?
3. Is it important to recruit employees for the business operations? If it is Yes, identify the functions of employee recruitment.
4. What process can you follow to recruit the right employees for the business that produces yogurt?
5. What principles and strategies can you apply for recruiting the competent employee for the business that produces yogurt?
6. What are the internal and external factors that can influence employee recruitment?

Key fact 1.2: Recruitment of business employees.

- **Meaning and functions of employee recruitment**
  - ✓ **Introduction**

    A business needs as much care as a human being needs. Among the care needed by the business, recruitment of competent employees includes. Employee recruitment is a key part of human resources management. While designing a business it is very paramount to think about skillful employees to energize the business. Unless that, it cannot grow and be fruitful and help the owners to achieve the intended goals.
  - ✓ **Meaning of employee recruitment.**

    Employee recruitment is the process of finding, attracting, and hiring qualified people to fill job openings within or outside an organization.

    In the other words, **recruitment** Refers to the overall process of attracting, shortlisting, selecting, and appointing suitable candidates for a job (either permanent or temporary) within an organization.

    Recruitment is the activity that links the employers and the job seekers.
  - ✓ **Functions of employee recruitment.**

    Functions of employee recruitment include the following:
    - **Job design and development:** The first function of recruitment thus is to identify what the new employee will do and what qualifications and experience is necessary to complete the work tasks.
    - **Identifying and seeking candidates:** Once the recruiter knows what type of employee the company needs, he figures out what segments of the population might be able to do the job and where to recruit.
    - **Receiving and tracking applicants:** Potentially hundreds or even thousands of people can apply for a single job.
    - **Reference and background checks:** Another function of recruiting is verifying the experience and work ethic of the candidate. Recruiters do this by contacting the references the candidates list on their applications.

- **Testing:** When the recruiter has narrowed down the pool of applicants, he invites applicants to take basic tests. The test may be hands-on or oral, but more often it is written.
- **Interview:** Interviews are very important after the written test because they show the managers how the employee might interact with others on the job and how professional he can be.
- **Evaluation and hiring:** The final functions of recruitment are the evaluation of all the information gathered about the candidates' managers still are considering.

- **Process/Steps of employee's recruitment**

The recruitment/hiring process is the process of searching, selecting, and hiring new employees for an organization.

Process of employee's recruitment include the following:

- ✓ **Identify hiring needs**: Determine if the need is to replace an employee or create a new role.
- ✓ **Create a job description**: Write a detailed job description that outlines the position's responsibilities, tasks, and objectives.
- ✓ **Create a recruiting plan**: Decide who will review resumes, schedule interviews, and select candidates.
- ✓ **Search for talent**: Use tools to save time in the selection process.
- ✓ **Screen and shortlist applicants**: Narrow down the search after talking to several candidates.
- ✓ **Conduct interviews**: Ask questions and observe the candidate's body language.
- ✓ **Check references and make an offer**: Cross-check the information you have on the candidate to ensure you're making the right choice.
- ✓ **Conduct onboarding**: Welcome the new member to the organization and begin the onboarding process.

- **Principles of employee's recruitment.**

Recruitment management is a crucial element in enhancing the organization's productivity, and to get it right, there are some basic principles to follow. These principles enable the recruitment team to identify, attract, and hire the best-suited candidates for the organization. **Principles of employees' recruitment include the following:**

- ✓ **Job Description Optimization:** Craft Compelling Content to attract top Talent. Your job description is often a candidate's first impression of your company and the specific role.
- ✓ **Targeted sourcing**: Go beyond the job Board to find the right fit. In today's digital age, there are numerous avenues for sourcing candidates. Don't rely solely on job boards.
- ✓ **Structured Interviewing:** Ensure Objectivity and Fairness. Structured interviews are a standardized approach to interviewing candidates. This ensures fairness and consistency throughout the interview process.
- ✓ **Effective Assessment Techniques:** Go Beyond the Resume. A resume can only tell part of the story.
- ✓ **Positive Candidate Experience:** Make Every Interaction Count**.** The candidate experience encompasses all interactions a candidate has with your company throughout the recruitment process. From the initial application to the final decision, prioritize creating a positive experience
- ✓ **Employer Branding:** Attract Top Talent by Building a Strong Reputation. In today's competitive job market, a strong employer brand is a significant asset. It showcases your company culture, values, and what it's like to work for you.

Guided Practices:

Task 6: Read and answer the following scenario and answer the questions on it:

KANEZA is a manager of ABC Ltd and he is invited by local leaders to train the local business owners on how to organize their businesses in terms of recruitment but KANEZA is challenged on some aspects. As a friend of KANEZA, develop recruitment process to be used while training the local business owners.

Activity 3: Application

Task 7: Read and answer the following questions

KAMILA is an entrepreneur who owns Kamila business and she is invited by the district to train young entrepreneurs about employee recruitment. As a graduate from Level 5, assist him to organize workshop content on factors to consider while recruiting business employees.

Topic 1.3: Purchasing of business requirements

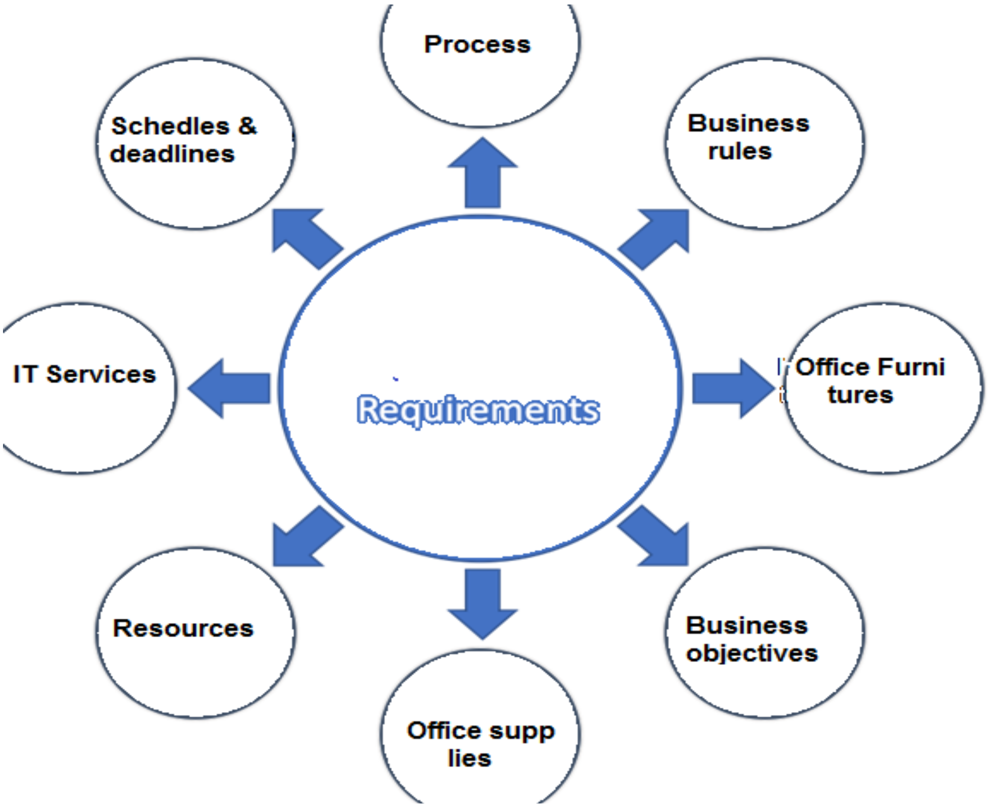


Figure 2: Purchasing requirements

Activity 1: Problem Solving

Task 8: Read the passage and answer the questions on it:

1. Assume that you intend to start the business of in your community:
   a. What do understand by the term purchasing?
   b. What is the purpose of purchasing in the business?
   c. The following are principles of purchasing. Select them:
      i. Right Quality
      ii. Right Source
      iii. Highest price
      iv. None of the above
      v. All of the above.

2. What are documents used in purchasing process?
3. Which factors influencing the choice of effective suppliers for your business.

Key Facts 1.3: Purchasing of business requirements

- **Introduction**

  A company's purchasing department plays an important role in supply chain management decisions. Purchasing is typically responsible for selecting suppliers, negotiating and administering long-term contracts, monitoring supplier performance, placing orders to suppliers, developing a responsive supplier base, and maintaining good supplier relations.

- **Definition of the term "purchasing and purpose of purchasing**
  - ✓ **The meaning of the term Purchasing**

    Purchasing is the activity of acquiring goods or services to accomplish the goal of an organization. Purchasing is the process of acquiring goods and services necessary to fulfill a specific need.

  - ✓ **Purpose of purchasing.**
    - **Supplier selection**: Finding and selecting suppliers that meet the company's needs and requirements.
    - **Supplier relationship management:** Building and maintaining relationships with suppliers to create mutual success and competitive advantages.
    - **Cost management:** Balancing price, quality, and service to get the best value
    - **Payment:** Negotiating payment terms with suppliers and working with the finance department to ensure the company's payment obligations are met
    - **Spending control**: Implementing a purchase order system to limit who can make purchases and prevent unauthorized orders
    - **Budgeting:** Helping to plan and regulate spending to ensure cost efficiency
  - ✓ **Other purpose of purchasing includes the following**
    - Maintain the quantity and value of company's product

- Minimize cash tied-up in inventory.
- Maintain flow of inputs and outputs
- Strengthen the organization competitive position.

- **Types of purchasing**

  Mainly there are two types of purchasing namely **centralized** and **decentralized purchasing**

  - ✓ **Centralized Purchasing (centralized procurement)**

    Centralized purchasing is a system in which one department manages the purchasing of goods and services for the entire organization. The purchasing department is usually located in the organization's headquarters, where it handles the purchasing for all the branches of the firm.

    - **Merits of centralized purchase**

      The following are the merits of centralized purchase:

      - **Reduce costs/Cost saving**: By consolidating orders, organizations can take advantage of economies of scale to negotiate better prices with suppliers.
      - **Improve cash flow**: Paying for large shipments in one go can help improve cash flow.
      - **Reduce inventory**: Consolidating purchasing can reduce the amount of inventory on hand, freeing up storage space and reducing carrying costs.
      - **Improve efficiency**: Centralized purchasing can streamline the purchasing process and reduce redundant work.
      - **Improve compliance**: Centralized purchasing can help ensure all procurement activities comply with the organization's purchasing policies.
      - **Increased visibility and control**: Centralized purchasing can help businesses maintain optimal inventory levels and supplier visibility.

- **Demerits of centralized purchase**

  The following are the demerits of centralized purchase:

  - **Inflexible contracts**: Buying large quantities from a single supplier can limit your ability to switch to better prices or alternative products.
  - **Inefficiency**: The operation may become too complex or big to run efficiently.
  - **Delayed deliveries**: Deliveries to end-users may be delayed.
  - **Maverick buying**: There may be maverick buying outside of contracts.
  - **Lack of decision autonomy**: Local managers may lack decision autonomy.
  - **Forgone local discounts**: Local discounts may be forgone.

✓ **Decentralized Purchasing**

Decentralized purchasing is a business model where decision-making authority for purchasing is given to local branches, departments, or other specialized teams, rather than a centralized unit. Decentralized purchasing helps to purchase the materials immediately in case of an urgent situation.

- **Merits of decentralized purchasing**
  - **More responsive**: Decentralized purchasing can be more responsive to the needs of individual business units.
  - **Cost savings:** Buyers can purchase goods and services at lower prices by working directly with suppliers. However, decision-making authorities in organizations that follow a decentralized purchasing model must still comply with strict buying policies and guidelines.
  - **Reduced bureaucracy:** Branch managers have complete authority over expenditures, procurement process, operations and performance.
  - **Motivation of Subordinates:** Decentralization improves the level of job satisfaction as well as employee morale, especially amongst the lower level managers.

- **Growth and Diversification:** Under decentralization, every single product division attains sufficient autonomy to exercise their creative flair.

Demerits of decentralized purchase

- **Duplicate purchases**: Each department may be responsible for its own budget and unaware of what other departments are buying.
- **Inefficiencies**: Without centralized control, there can be inconsistent processes, duplicated effort, and missed opportunities for savings.
- **Supplier performance**: It can be more difficult to monitor supplier performance.
- **Risk management**: It can be more difficult to manage risk across the enterprise.
- **Information management**: There can be scattered management of information and data.
- **Vendor and contract management**: There can be duplication of effort in vendor and contract management.

- **Description of purchasing principles and purchasing procedures**

Description of purchasing principles.

- ✓ **Right Quality:** The term right quality refers to a suitability of an item for the purpose it is required.
- ✓ **Right Quantity:** Materials purchased should be of right quantity. The right quantity is the quantity that may be purchased at a time with the minimum total cost and which obviates shortage of materials.
- ✓ **Right Time:** The time at which the purchases are to be made is of vital importance. In case of items used regularly, right time means the time when the stock reaches the minimum level.
- ✓ **Right Source:** Selecting the right source for the purchase of materials is an important consideration in the purchase procedure. The right source for the procurement of materials is that supplier who can supply the material of right quality as ordered, in right quantity as ordered.

- ✓ **Right Price:** Determination of right price is a difficult task. It is the main object of any organization to procure the material items at the right price. It is that price which brings the best ultimate value of the money invested in purchasing the materials.
- ✓ **Right Place:** Besides obtaining the materials of the right quality and quantity from the right source at the right price, it should be ensured that the materials are available at the right place.

- **Description purchasing procedures.**
  - ✓ **Identifying needs**: Define the needs or specifications for the products or services being purchased
  - ✓ **Choosing a supplier**: Ensure the supplier can meet the needs, has the products or services, and can deliver consistently
  - ✓ **Negotiating**: Collaborate with the supplier to get the best price
  - ✓ **Creating a contract**: Create a supplier contract
  - ✓ **Making payment**: Issue payment to the vendor after approval
  - ✓ **Monitoring**: Monitor the work being done by the supplier
  - ✓ **Keeping records**: Maintain accurate records of the entire purchasing process, including negotiations, sales, returns, and any other transactions
  - ✓ **Managing contracts**: Monitor contracts, ensure compliance, and renegotiate terms if needed.
- **Some companies use the following steps in the purchasing process:**
  - ✓ Sourcing suppliers
  - ✓ Invitation to tender
  - ✓ Tender analysis
  - ✓ Bid selection
  - ✓ Validating the offer
- **Documents used in purchasing**

  A purchasing document is any document related to a purchase. Purchasing documents allow businesses to buy goods and services, and create blanket orders for frequently purchased items. They can be paper or electronic, but are more commonly digital

Some purchasing documents includes purchase orders, Agreements, Sales receipts, Licensing agreements, and Invoices.

Documents used in purchasing process.

- ✓ **Material requisition:** The Material Requisition Note is an authorization to the storekeeper to issue raw materials, finished parts or other items of stores. It is signed by a responsible person of the department that requires this material.
- ✓ **Inquiry:** The letter of inquiry is a letter written by the purchasing department and sent to various suppliers requesting them some information concerning the prices, conditions and quality of goods which can be supplied.
- ✓ **Reply or quotation:** Quotation is an offer to supply goods according to the terms and conditions stated.
- ✓ **Purchase order:** A purchase order is a commercial document written and signed by buyer to be sent to a seller indicating merchandises or goods to be sold and the delivery and payment's conditions.
- ✓ **Advice note:** An advice note is a document issued by a supplier of goods that advises the customer that the goods have been sent.
- ✓ **Delivery notes:** The buying organization also signs the delivery Note which is sent by the supplier together with goods.
- ✓ **Debit note**: A debit note is a document used by a vendor to inform the buyer of current debt obligations, or a document created by a buyer when returning goods received on credit.
- ✓ **Credit note:** A credit note is a letter sent by the supplier to the customer notifying the customer that he or she has been credited a certain amount due to an error in the original invoice or other reasons.
- ✓ **Receipt:** A receipt is a piece of paper or electronic document confirming that the seller received money from the purchaser. ... It also includes a description of the item the buyer purchased. When the transaction is between two businesses, receipts contain information about the method of payment and the buyer.

- ✓ **Purchase order (PO):** A buyer's official request to a vendor for an order. A PO is issued after a purchase requisition (PR) is approved.
- ✓ **Purchase requisition:** A formal request to buy goods or services from a vendor. PRs are often used for higher-value purchases and may require approval from finance managers or department heads.
- ✓ **Invoice:** A record of vendor invoices that are received. Invoices can be matched with purchase orders and receipts, and debit and credit notes can also be recorded.

- **Meaning of a supplier and factors influencing choice of effective suppliers for the business.**
  - ✓ **Meaning of a supplier**

    A supplier is a person, company, or organization that sells or supplies something such as goods or equipment to customers. A supplier is a person, organization, or other entity that provides something that another person, organization, or entity needs.

- **Factors influencing choice of effective suppliers for the business.**
  - ✓ **Price**: The price of supplies can directly affect the cost of producing a product.
  - ✓ **Quality**: There is often a correlation between cost and quality, but you should ensure that the supplier meets your expectations regardless of price.
  - ✓ **Reliability**: A reliable supplier can help ensure consistent quality and supply chain efficiency.
  - ✓ **Location**: Suppliers that are located near your company can have lower transport and delivery costs.
  - ✓ **Reputation**: A supplier's reputation in terms of social and environmental responsibility can impact your company's reputation.
  - ✓ **Supplier relationships**: Strong relationships with suppliers can help ensure consistent material availability and mitigate the risk of supply chain disruptions.

- ✓ **Supply chain management**: Organizations can assess the quality and reliability of their entire supply chain, including logistics, transportation, and inventory management.
- ✓ **Communication**: Effective communication with suppliers is important.
- ✓ **Financial stability**: You can consider whether the supplier is financially stable.
- ✓ **Payment terms**: You can consider the supplier's payment terms.

Activity 2: Guided Practice

Task 9:

URUJENI owns a firm that produces maize flour. She imports most of the raw materials used in the production of maize flour. As a graduate form Level 5 who is equipped with entrepreneurial competences, advise her in developing procedures he can adopt while purchasing raw materials for the firm.

Activity 3: Application

Task 10: Read and answer the following:

ARMAND is a manager of a small business that produces Yoghurt. The business carries out many activities including production, selling and distribution, maintenance and many others. As an expert in production, evaluate the factors that influence the choice of effective suppliers for your business.

Formative Assessment

Attempt all questions:

1. Read and answer the following questions.
    a. Describe business requirements?
    b. What steps can you follow while estimating the business requirements?
    c. Describe the factors that influence the business location
    d. Give examples of office furniture and supplies.
    e. Describe the sources of raw materials you may need for initial storage?
2. While running a hospitality business, outline examples of equipment, machinery and production consumables you may need.
3. Suppose that you own a small business that produces Juice. You carry out many activities including searching and recruiting the competent staff for running all business operations.
    a. Describe employee recruitment?
    b. Identify the functions of employee recruitment.
    c. What procedures can you follow to recruit the right employees for the business that produces juice?
    d. Explain strategies you can apply for recruiting the competent employee for the business that produces juice?
    e. Explain the internal and external factors that can influence employee recruitment?
4. Assume that you intend to start the business of in your community:
    a. **………………………**is the activity of acquiring goods or services to accomplish the goal of an organization.
    b. Select the purpose of purchasing.
        i. Supplier selection
        ii. Supplier relationship management
        iii. Structural management
        iv. Payment
        v. Spending control
        vi. None of the above
    c. The following are principles of purchasing. Select them:
        i. Right Quality
        ii. Right Source

iii. Highest price
iv. None of the above
v. All of the above
vi. All of the above.

4. Describe the documents used in purchasing for the business?
5. Discuss the factors influencing the choice of effective suppliers for your business.

Points to Remember

- **Consider the well prepared business environment**
- **Always comply with the rules and regulations regarding such;**
  - ✓ **Business registration with RDB (Rwanda Development Board)**
  - ✓ **Tax system**
  - ✓ **Environmental laws**
- **Check on availability of necessary resources such as:**
  - ✓ **Human resources**
  - ✓ **Raw materials**
  - ✓ **Capital resources, …**
- **Remember a well-designed business plan.**

Self-Reflection

1. Fill in and complete the self-assessment table below to assess your level of knowledge, skills and attitudes after covering this unit.
2. There are no right or wrong ways to answer this assessment. It is for your own reference and self-reflection on the knowledge, skills and attitudes acquisition during the learning process.
3. Think about yourself:
   a. Do you think that you have knowledge, skills or attitudes to do the tasks?
   b. How well?

1. Read the statements across the top. Put a check in a column that best represents your level of knowledge, skills and attitudes.

My experience **Knowledge, skills and attitudes**	**I do not have any experience doing this.**	**I know a little about this.**	**I have some experience doing this.**	**I have a lot of experience with this.**	**I am confident in my ability to do this.**
Explain the business requirements					
Verifying business start-up requirements.					
Consider the business professional ethics while verifying the business start-up requirements					
Identify the process of employees' recruitment		.			
Demonstrate teamwork spirit identifying the process of employees' recruitment					
Describe the steps of business requirements estimation.					
Describing business requirements estimation					
Define the term "purchasing "					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Identify the purpose of purchasing.					
Purchasing of business requirements					
Identify Purchasing principles.					
Describe purchasing procedures.					
Describe the documents used in purchasing.					

2. Fill in the table above and share results with the trainer for further guidance.

Knowledge	Skills	Attitudes
1. **2.** **3.**	**1.** **2.** **3.**	**1.** **2.** **3.** .

UNIT 2: CREATE A PRODUCTIVE WORKING ENVIRONMENT.

Unit Summary

This unit provides you with the knowledge, skills and attitudes required to Create a productive working environment required to organize a business. It covers setting of business ethical conduct, assignment of responsibilities to employees, maintenance of good relationship with customers and suppliers.

Self-Assessment: Unit 1

1. Referring to the unit illustration above, discuss the following:
   a. What do pictures above illustrate?
   b. Based on the illustration, what do you think will be covered under this unit?
2. Fill and complete the self-assessment table below to assess your level of knowledge, skills and attitudes under this unit.
   a. There is no right or wrong way to answer this assessment. It is for your own reference and self-reflection on the knowledge, skills and attitude acquisition during the learning process.
   b. Think about yourself: Do you think you have the knowledge, skills and attitudes to do the task? How well?
   c. Read the statement across the top. Put a check in a column that represents your level of your knowledge, skills and attitudes
   d. At the end of this unit, you will re-assess yourself.

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Explain the objectives of ethical conduct in a business of ethical conduct					
Explain the positive attitude required to business members					
Identify the rules and regulations of the business.					

Demonstrate the rules and regulations of the business					
Describe the sanctions proposed by the law in business					
Explain the types of unethical behavior in a business.					
Demonstrate the ways to address unethical behavior at the workplace					
Describe the methods of handling unethical conduct in business					
Identify the ways/methods to address unethical behavior at the workplace					
Describe techniques of encouraging a positive ethical behavior in business					
Demonstrate team work spirit					

while working in group					
Explain the importance of positive ethical conduct in the business					
Demonstrate team work spirit while working in group					
Describe the responsibilities assignment in business					
Explain the importance of assigning duties.					
Identify the attribution of responsibilities in business.					
Describe responsibilities assignment matrix (RAM)					
Design the responsibility assignment matrix for the business					
Consider professional ethics while assigning responsibilities in business.					

Key Competencies:

Knowledge	Skills	Attitudes
1. Explain the objectives of ethical conduct in a business of ethical conduct	1. Apply rules and regulations of the business	1. Demonstrate team work spirit while working in group
2. Explain the positive attitude required to business members	2. Address unethical behavior at the workplace	2. Consider professional
3. Identify the rules and regulations of the business.	3. Design the responsibility assignment matrix for the business	3. ethics while assigning responsibilities in business
4. Describe the sanctions proposed by the law in business		4. Demonstrate team work spirit while working in group
5. Explain the types of unethical behavior in a business.		
6. Describe the methods of handling unethical conduct in business		
7. Identify the ways/methods to address unethical behavior at the workplace		
8. Describe techniques of encouraging a positive ethical behavior in business		
9. Explain the importance of positive ethical conduct in the business		
10. Describe the responsibilities assignment in business		
11. Explain the importance of assigning duties.		
12. Identify the attribution of responsibilities in business.		
13. Describe responsibilities assignment matrix (RAM)		

Discovery Activity

Task 11:

1. Read and answer to the following questions:
    a. Describe the meaning of ethical conduct in a business
    b. What are objectives of ethical conduct in a business?
    c. What rules and regulations can you set in the business?
    d. Which positive attitude required to business members?
    e. What do you think are sanctions proposed by the law in business?
    f. Suppose that you own a business after your graduation:
        i. Which types of unethical behavior in a business?
        ii. Ways/methods would you use to address unethical behavior at the workplace
        iii. Which techniques of encouraging a positive ethical behavior in business?
2. Read carefully and answers the following questions?
    a. How can you define responsibilities assignment in business?
    b. Describe the importance of assigning duties for the business workers.
    c. What do you understand by the term Responsibilities assignment matrix (RAM)?
    d. Which effects resulting from not taking responsibilities in the business?
3. How can you define of the customer and suppliers' relationship in a business?
4. Identify the purpose of maintaining a good relationship with customers and suppliers
5. Which methods can you use to maintain good relationship with Customers and Suppliers?
6. Describe the importance of maintaining good customers and suppliers' relationship to the business.

Topic 2.1: Setting of business ethical conduct

Figure 3: Business Ethical conduct

Activity 1: Problem Solving

Task 12: Read the following passage and answer the question on it

1. Ms. Keza is a young graduate from TVET School IN Culinary Arts. After her school she decided to put in practice what she learnt and decide to open a restaurant in her village in Masoro sector that provides different services including delivery.
   a. Describe the meaning of ethical conduct
   b. What are objectives of ethical conduct in a restaurant?
   c. What rules and regulations can you set in the restaurant?
   d. Which positive attitude required to business members especially that restaurant?
   e. Let's say that some of the chef in Keza's restaurant break some of the laws. Which sanctions can you propose in business?
   f. Which types of unethical behavior can she set in her restaurant?
   g. Which would you use to address unethical behavior at the workplace
   h. Which techniques of encouraging a positive ethical behavior in business?Is it important to have positive ethical conduct in the business? If it is Yes, how important is it?

Key fact 2.1: Setting of business ethical conduct

- **Meaning of objects of ethical conduct in a business**
  - ✓ **Introduction**

    Ethical Conduct literally means simply doing the right thing, but in reality it means more. It involves acting in the right spirit, out of an abiding respect and concern for one's fellow creatures. Ethical behavior tends to be good for business and involves demonstrating respect for key moral principles that include honesty, fairness, equality, dignity, diversity and individual rights.
  - ✓ **Meaning of ethical conduct.**[10]

    Ethical conduct is a set of moral rules that govern how businesses operate, how business decisions are made, and how people are treated.

    Ethical conduct means the practice of following a set of principles that guide behavior and actions in a way that is fair, respectful, and honest.

    Ethical conduct is characterized by:
  - ✓ **Honesty**: Being truthful and honest in interactions with others
  - ✓ **Fairness**: Treating others equally and fairly
  - ✓ **Respect**: Respecting the dignity, diversity, and rights of others
  - ✓ **Following standards**: Adhering to the ethical codes and standards of an organization or profession
  - ✓ **Doing what's right**: Acting in a way that is consistent with a strong moral standard and a consistent value system
- **Objectives of ethical conduct in the business**[11]
  - ✓ **Build trust**: Ethical conduct helps businesses build trust with their customers, employees, and investors. This trust can lead to a positive reputation, which can help a business attract and retain customers, investors, and partners.
  - ✓ **Promote fairness and equality**: Ethical conduct can help create a level playing field for all participants in a business. This can lead to increased competition and innovation, which can benefit customers and the economy.

[10] https://l1nk.dev/FUL82
[11] https://l1nk.dev/vhuc8

- ✓ **Prevent unethical behavior**: Ethical conduct can help reduce the risk of fraud, corruption, and other unethical behavior.
- ✓ **Ensure compliance with laws and regulations**: Ethical conduct can help businesses comply with laws and regulations, which can reduce the risk of legal troubles.
- ✓ **Drive long-term success**: Ethical conduct can help businesses weather economic downturns and changes in the market.
- ✓ **Foster employee satisfaction and retention**: Employees prefer working in organizations where they feel valued and where the work environment is guided by ethical principles.
- ✓ **Promote social responsibility and sustainability**: Ethical conduct can help businesses achieve their sustainability goals. For example, businesses can develop eco-friendly products or processes.

- **Rules and regulations of the business**

  Business rules and regulations are a set of guidelines that govern how employees should behave and act in a company. They are designed to promote fairness, maintain order, and ensure the safety and integrity of the workplace.

  Here are some examples of business rules and regulations:[12]

- ✓ **Employment and labor laws:** Ensure that employees are treated fairly, receive fair wages, and are protected from workplace harassment and discrimination.
- ✓ **Tax laws:** Business owners need to be aware of their tax obligations and requirements.
- ✓ **Data and privacy laws:** Businesses need to handle customer and employee information responsibly and in accordance with relevant data privacy laws.
- ✓ **Consumer protection laws**: Businesses need to comply with fair advertising practices, product safety regulations, and warranty obligations.
- ✓ **Competition laws**: The laws that help keep competition in the marketplace by incentivizing businesses to maintain product quality while keeping prices at the desired range.

[12] https://l1nk.dev/9nqo2

- **Sanctions proposed by the law in business.**[13][14]

  Sanctions are penalties imposed on individuals or organizations that fail to comply with laws or regulations. They can be used in any jurisdiction and can impact a business's ability to engage in transactions. Sanctions can be imposed by governments and supra-national bodies to influence the behavior of other nations. Sanctions in a business may include the following:

  - ✓ **Trade sanctions**: Restrict the import and export of goods and services between the sanctioning country and the targeted country or entity. These sanctions can be comprehensive or targeted at specific industries or products.
  - ✓ **Export restrictions**: Ban countries from supplying certain goods, services, or intellectual property to the sanctioned nation.
  - ✓ **Arms embargoes**: Prohibit the import and export of military goods.
  - ✓ **Travel bans**: Restrict the movement of certain individuals associated with the targeted government. This can include denying visas or travel privileges to government officials or individuals involved in activities that warrant sanctions.
  - ✓ **Diplomatic sanctions**: Political measures that aim to demonstrate disapproval of certain actions. These sanctions can involve reducing or removing diplomatic ties, such as eliminating embassies or canceling high-level government meetings.
  - ✓ **Military sanctions**: Used in exceptional situations, these sanctions can include restricting military aid or arms embargoes.

- **Positive attitude required to business members.**[15]

  A positive attitude can help a business grow faster by giving you the energy and positivity to focus on your goals. It can also reduce absenteeism and staff turnover, and lead to more satisfied and productive teams.

  Some positive attitudes required towards business members:

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[13] https://l1nk.dev/8SmMI
[14] https://acesse.one/hmDyJ
[15] https://acesse.one/bh6fb

- ✓ **Be respectful**: Treat everyone with respect, regardless of their position.
- ✓ **Be a team player**: Be easy to work with, contribute to the group, and embrace collaboration.
- ✓ **Be approachable**: Be friendly and helpful to others.
- ✓ **Practice gratitude**: Express gratitude for what you have, and acknowledge the value of your contributions.
- ✓ **Be encouraging and empathetic**: Show empathy and respect to your colleagues, clients, and employees.
- ✓ **Focus on the positive**: Focus on what's in your control, and evaluate negative ideas rationally.

- **Types of unethical behavior in a business.[16]**

  Unethical behavior is conduct that is considered inappropriate and goes against social standards. It can be performed by individuals, professionals, or companies. Unethical behavior can damage a company's reputation with clients, vendors, and potential employees.

  Here are some examples of unethical behavior in a business:

  - ✓ **False advertising**: Making false claims about a product or service.
  - ✓ **Unfair competition**: Harming competitors by spreading rumors or undercutting their prices.
  - ✓ **Absenteeism**: Leaving work early can be considered unethical behavior.
  - ✓ **Taking credit for others' work**: This is another example of unethical behavior.
  - ✓ **Bribery**: Paying money to secure contracts or misallocating funds.
  - ✓ **Deceptive communication**: Concealing immoral or unflattering behavior to diminish its effects.

- **Ways/methods to address unethical behavior at the workplace and methods of handling unethical conduct in business.[17]**

  - ✓ **Establish a code of conduct**: A well-written code of conduct can help prevent breaches of the law and regulations, and can increase employee loyalty and retention.

[16] https://acesse.one/UZGhT
[17] https://acesse.one/KYg5y

- ✓ **Educate and train employees**: Provide training programs for managers and leaders to educate them on ethical principles and the consequences of unethical behavior.
- ✓ **Lead by example**: Demonstrate ethical behavior and promote a strong ethical culture.
- ✓ **Encourage open communication**: Encourage employees to report unethical behavior.
- ✓ **Investigate thoroughly**: If you discover unethical behavior, investigate it thoroughly.
- ✓ **Offer support and guidance**: Provide support and guidance to employees.

- **Techniques of encouraging a positive ethical behavior in business**

  Ethical behavior can increase team efficiency and help a business develop a reputation for sound ethics.

  Techniques of encouraging a positive ethical behavior in business include the following:

  - ✓ **Lead by example**: Senior leaders should demonstrate the behaviors they want their teams to practice.
  - ✓ **Rewards**: Catch employees "doing something right" and reward ethical behavior. Employees are more likely to act ethically if their actions are valued.
  - ✓ **Expectations:** Ensure that your company states its values in the employee handbook and that these values are talked about and implemented in everyday business matters by all employees in a supervisory capacity.
  - ✓ **Training:** Through training, explicitly teach your employees how to behave in an ethical manner.

    Policies: Sometimes implementing a policy to prevent unethical behavior is the best option.
  - ✓ **Create a code of ethics**: A written code of ethics should apply to all aspects of business conduct.
  - ✓ **Provide ethical training**: Ethics training helps employees understand the code of conduct and how to engage in ethical practices.

- **Importance of positive ethical conduct in the business.**[18]

  Ethical conduct is important for businesses for many reasons, including:

  ✓ **Building trust**: Ethical practices help build trust with customers, employees, and investors. This trust is the foundation of a company's reputation, which is invaluable in business.

  ✓ **Improving employee relations**: Ethical practices can lead to higher employee satisfaction and retention rates. Employees tend to be more loyal and perform better for companies with a high standard of ethics.

  ✓ **Enhancing competitiveness**: Ethical practices can help a company gain a competitive advantage in terms of customers.

  ✓ **Addressing social and environmental issues**: Ethical practices can help a company address important social and environmental issues.

  ✓ **Attracting investors**: Ethical practices can help a company attract more investors.

  ✓ **Long-term success**: Ethical practices are essential for a company's long-term sustainability and success.

  ✓ **Protecting stakeholders**: Ethical practices can help protect stakeholders.

Activity 2: Guided Practice

Task 13: Read and answer the following questions:

Suppose that you are Mr. Money owns a successful business in your community and you are hired by the local leaders to train fresh business owners in business ethics. Set business ethical conducts that are referred to by fresh business owners while running and managing a business organization.

[18] https://acesse.one/EsZD5

Activity 3: Application

Task 14: Read the scenario and answer the questions on it:

Let's suppose that after graduation you get an opportunity of providing training related to business organization in terms of setting business ethical conduct to the fresh business owners in your home sector. Prepare positive business ethics and unethical conducts that members of the business may be sanctioned on while running a business

Topic 2.2: Assignment of responsibilities to employees.

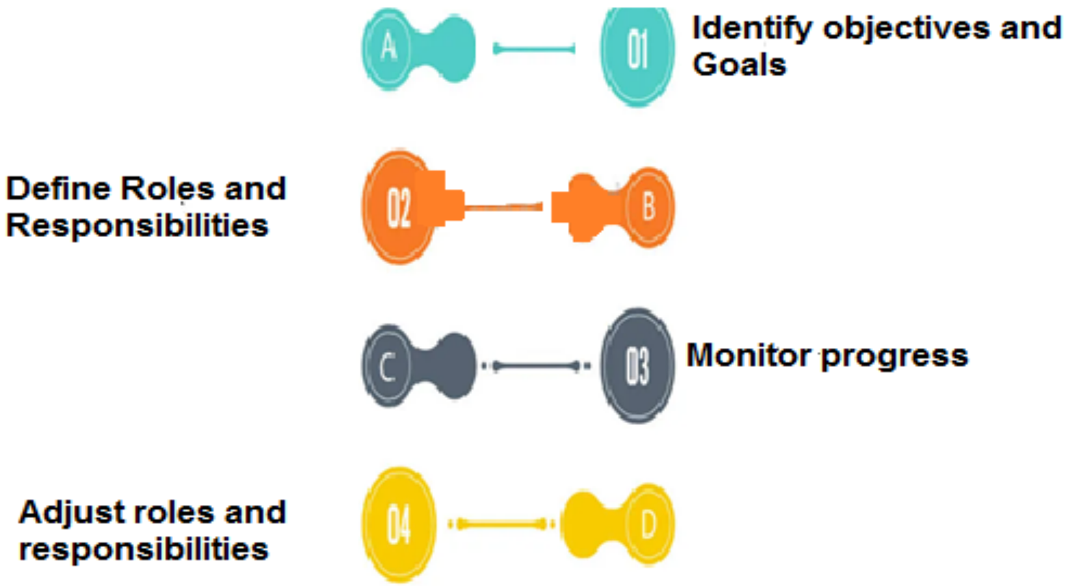

Figure 4: Steps for assigning responsibilities to employees[19]

[19] https://fastercapital.com/topics/assigning-roles-and-responsibilities-to-your-team.html

Activity 1: Problem Solving

Task 15: Read and answer the following questions:

1. Use the knowledge of entrepreneurship you have learnt in previous level and answer the following questions in your own words:
   a. In your own words, what do you understand by the tem responsibility assignment?
   b. Is it crucial to assign duties to employees? If the answer is yes, how crucial it for the business successfulness?
   c. Using your own understanding, what are the attributions of responsibilities in the business organization?
   d. Describe the Responsibility Assignment Matrix (RAM)

Key fact 2.2: Assignment of responsibilities to employees.

- **Defining responsibilities assignment in business**
  - ✓ **Introduction.**

    In a business, **responsibility** is the duty of an individual or department to complete a task or perform a role. Responsibilities can be assigned by a superior or created by the individual themselves.

    Business responsibility is someone's duty (that often depends on the job level) to perform or complete a task. [20]
  - ✓ **Definition of responsibilities assignment**

    Responsibility assignment refers to the process of defining and assigning roles and responsibilities for a project or business process. Or **responsibility assignment** is the process that involves the allocation of tasks and duties to ensure that the team's objectives are met.
- **Importance of assigning duties/ Attribution of responsibilities[21]**

  When assigning responsibilities, some attributes to consider include:

[20] https://l1nk.dev/dq4qj
[21] https://acesse.one/KGGsH

- ✓ **Estimation of volume of task**: every worker in a company must has to be assigned a number of clear tasks.
- ✓ **Determination of task's requirements:** task Requirements is a collection of physical, functional, mental and administrative needs that should be covered by the assigned resources: they serve as quality criteria to approve suitability of resources.
- ✓ **Allowing time to the volume of task**: every task must have a time allocated to it.
- ✓ **Skills and abilities:** Assigning tasks based on the skills and abilities of team members can help ensure that everyone feels valued and respected, and contributes to the project's goals.
- ✓ **Project scope and objectives:** Defining the project's scope and objectives can help you break it down into manageable tasks and milestones.
- ✓ **Authority and responsibility:** When assigning responsibilities, it's important to delegate appropriate authority so that the responsibilities can be performed smoothly.
- ✓ **Communication:** Clearly communicating responsibilities and expectations to team members is important.
- ✓ **Regular check-ins:** Regular check-ins and feedback can help ensure alignment and address any issues promptly.
- ✓ **Compliance and security:** Ensuring compliance with data privacy regulations and implementing security measures to protect information are important attributes of assigning responsibilities
- ✓ **Meaning of assignment matrix**

  Assignment matrix refers to the responsibility charting tool that specifies not only who is responsible for a given task, but also the role of each person involved in it.

  A responsibility assignment matrix (RAM)[22], also known as a **RACI** chart or **RACI matrix**, is a tool used in project management to define and assign roles, responsibilities, and authority levels for each task or activity.

[22] https://acesse.one/4l5ij

It helps avoid any kind of confusion about roles sometimes down the line for the project. RAMs can help with:

- **Accountability**: Clear accountability can help prevent tasks from being neglected.
- **Communication**: Clear assignments can help prevent miscommunication and overlap.
- **Progress tracking**: RAMs can help project managers track progress more accurately.
- **Risk reduction**: RAMs can help reduce risk.

✓ **Effects of not taking responsibilities.**[23]

When people don't take responsibility in a business, it can lead to a number of issues, including:

- **Decreased productivity**: Without accountability, people may not meet deadlines, and projects may be delayed. This can lead to low productivity and profits.
- **Poor quality work**: When there's no accountability, mistakes may go unnoticed, resulting in poor quality work.
- **Reduced employee engagement**: When there's no accountability, employees may feel like their actions don't have an impact and may check out. They may also look for jobs where they feel valued and responsible.
- **Damaged business relationships**: A lack of accountability can lead to poor relationships with clients, vendors, and suppliers.
- **Eroded psychological safety**: Not taking responsibility can erode psychological safety, which is essential for any team.
- **Learned helplessness**: Not taking responsibility can lead to learned helplessness and apathy.

✓ **RACI (Responsible, Accountable, Consulted and Informed).**

RACI stands for **R**esponsible, **A**ccountable, **C**onsulted, and **I**nformed which are taken as four roles assigned to team members.

[23] https://acesse.one/wc3KA

The tasks are normally listed in the first column of the matrix and the team members are listed in the top row of the table.

Responsibility charting through creating a RACI matrix brings clarity to what every team member has to do in the project. In addition to that, it serves as a check on what should be done and who's ought to be doing what in the future.

- **The Four Roles in RACI Matrix** [24][25]
  - **Responsible (R):**

    Responsible" refers to the person who actually completes the task – aka "the doer." They always has to be at least one Responsible per each task. If you are missing an R in any of the rows of the matrix – you have a gap that has to be filled immediately.
  - **Accountable (A):**

    Accountable is the person who is ultimately answerable for the activity or decision to be made. This is someone who has the final authority over the task. Typically, some kind of a manager or senior offices. Typically, you should have the minimum number of people accountable for every task. In most projects, there will be only one person listed as "accountable."
  - **Consulted (C):**

    Consulted is the adviser for the given task or entire project. Normally, this is the subject matter expert whose opinion you seek before making the final decision or action. Keep in mind that you should keep the number of C's to the minimum for each row.
  - **Informed (I): Informed** are the people you keep updated on how the process is going. These would be the people who you will notify once the task is completed and who will take action as the result of the outcome. There can be as many "informed" as necessary per process. A common RAM template looks like the example below. Notice how all stakeholders can have more than one role: This is where **RACI matrix** comes handy.

[24] https://l1nk.dev/tHozB

[25] https://www.usemotion.com/blog/raci-chart

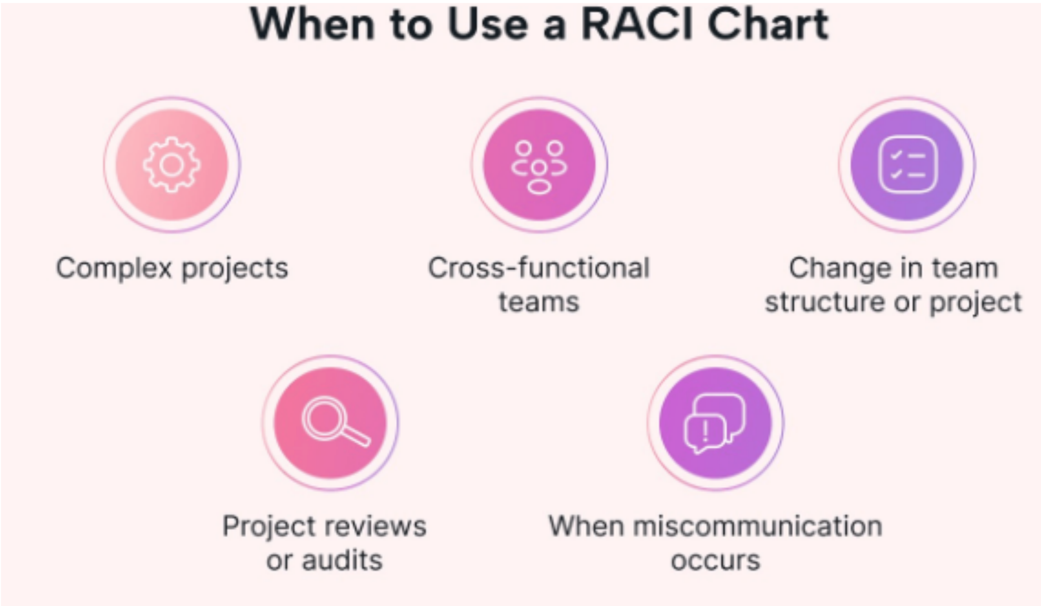

Figure 5: The situation in which to use a RACI Chart.

RACI Chart example[26]

To get a clearer picture of how beneficial a RACI chart can be and how it functions, let's look at a real-world example: a team responsible for a product launch.

RACI Matrix Example

Tasks/ Deliverables	Web Developer	Project Manager	Design Team	Company Leadership
Coding the Website	R	A	C	I
Design Implementation	C	A	R	I
Project Oversight	I	R	I	A
Progress Reporting	C	R	I	A

Table 1: Example of Responsibility Assignment Matrix Template

[26] https://www.usemotion.com/blog/raci-chart

Activity 3: Guided Practices

Task 16: Read and answer the following:

As a manager of XXX Company, you have many duties in the company including supervising how all company activities are performed, mainly assigning responsibilities to employees. As recently your business got a lots of orders, you are required to assign responsibilities to employees and develop a relevant report.

Activity 3: Application

Task 17: Read and answer the following question.

Suppose that you intend to start-up a business in your community. Construct RACI matrix for your business.

Topic 2.3: Maintenance of good relationship with customers and suppliers

Figure 6: Aspects of maintaining a good relationship with customers.

Activity 1: Problem Solving

Task 18: Observe the following illustration and answer the questions on it

1. Based on the on the figure above answer the following questions:
   a. What do you see on the above picture?
   b. Briefly explain how each element on this figure maintain good relationship with customers and suppliers.
   c. What are the purpose of maintaining good relationship with both customers and suppliers?
   d. Which methods can you use to maintain good relationship with customers and suppliers
   e. What are importance of maintaining good customers and suppliers' relationship to the business?
   f. Suppose that some of customers and suppliers are complaining that you are not offering good services to them. Which ways can you use to handle customers complaints and suppliers' complaints?

Key facts 2.3: Maintenance of good relationship with customers and suppliers

- **Introduction**

  Building strong customer relations will certainly help contribute to your company's success, and in today's customer-centric market, customer relations is a must. After all, over 90% of consumers are likely to spend more with businesses that offer streamlined conversational experiences. Not only that, a business has to build a good supplier relationship because the business cannot produce without strong suppliers' relationship. Some benefits of strong supplier relationships include improved service quality, Lower costs and discount rates.

- **Concepts of customer and supplier relationship in a business**

Customer relationship in a business refers to the methods, strategies, and processes a company uses to build and maintain customer relationship. Customer relationships are an important part of a business's success, as they can lead to increased loyalty, repeat business, and referrals. [27]

Supplier relations, or **supplier relationship management (SRM)**, is the process of managing and evaluating a company's suppliers to improve performance and profitability. Supplier relation is a key component of strategic sourcing and can help companies build long-term partnerships with their suppliers[28]

✓ **Purpose of maintaining a good relationship with customers and suppliers include the following.**

- **Better customer feedback:** Satisfied customers are more likely to provide honest and valuable feedback, which can lead to improvements in products and services.
- **Positive word-of-mouth**: When a customer has a positive experience with a company, they may recommend the brand to others or speak well about it online.
- **Exceptional customer service:** How a customer feels they are being treated can dictate 70% of their customer journey.
- **Customer satisfaction**: Customers feel more comfortable when they know the customer service representatives on a personal level, and are more likely to be satisfied.
- **Reward loyalty**: Loyal customers want to feel rewarded for their dedication.
- **Understand customer psychology**: By monitoring customer behaviors and collecting data, brands can better understand their customers and marketing opportunities.

[27] https://www.zendesk.com/blog/customer-relations/#Customer%20relationships%20strategies
[28] https://l1nk.dev/slwwA

- ✓ **Purpose of maintaining a good relationship with suppliers.**[29]

  A supplier is a person, company or organization that sells or supplies something such as goods or equipment to customers.

  Maintaining a good relationship with suppliers can help a business in many ways, including:

  - **Cost savings:** Improved pricing, volume discounts, and cost-effective procurement processes can lead to cost savings.
  - **Reduced delays and quality issues**: Good relationships can help reduce delays, quality issues, and availability challenges.
  - **Better customer service**: Good supplier relationships can improve service to customers.
  - **Increased efficiency**: Better communication and understanding can lead to increased efficiency.
  - **Outsourcing**: Trusted suppliers can take on time-consuming activities like inventory management or customer service.

- ✓ **Other purpose of maintaining good relationship with suppliers include the following**:

  - Supplier consolidation
  - Ongoing improvements
  - Innovation
  - Supply chain resilience

- **Methods used to maintain good relationship with customers and suppliers.**

  To maintain good relationship with customers and suppliers is the responsibility that should be respected because its allows the business to satisfy the customers and create a conducive environment with suppliers.

  The business should select the suitable ways of maintaining good relationship with customers and suppliers.

  Those ways include the following:[30]

  - ✓ **Be respectful**: Greet customers with enthusiasm and respect.
  - ✓ **Communicate consistently**: Track and learn as much as possible about your customers so you can make well-informed decisions.
  - ✓ **Provide great customer service**: Make it easy for customers to get help when they need it.

[29] https://l1nk.dev/MxRj1
[30] https://l1nk.dev/xsRPP

- ✓ **Personalize communication**: Run a loyalty program to provide a customized experience for your customers.
- ✓ **Reward loyalty**: Give rewards to loyal customers to encourage them to advocate for your business.
- ✓ **Exceed expectations**: Under promise and over deliver to wow your customers.

  Other method used to maintain good relationship with customers include the following:

- ✓ Ask for feedback
- ✓ Build trust
- ✓ Address issues promptly

- **Methods used to maintain good relationship with suppliers.**[31][32]

  A good relationship with your suppliers can help you minimize business risks and ensure you have access to the products and services you need.

  Here are some tips for maintaining a good relationship with suppliers:

  - ✓ **Communicate clearly**: Share your needs and requirements with your suppliers to ensure your objectives are met. You can also maintain communication when problems arise, such as if their products receive poor reviews.
  - ✓ **Be a great customer**: Give your suppliers what they need, when they need it, and pay on time.
  - ✓ **Collaborate**: Work together with your suppliers to achieve common goals, share knowledge, and solve problems.
  - ✓ **Manage performance**: Set clear performance metrics and regularly evaluate suppliers against them.
  - ✓ **Mitigate risk**: Consider each supplier's performance, quality, compliance, ethics, and geographic challenges to assess their value versus risk potential.
  - ✓ **Maintain records**: Keep your records in order.
  - ✓ **Schedule time to meet**: Set aside time to get together with your suppliers.

[31] https://l1nk.dev/xsRPP
[32] https://acesse.one/nR9IU

- **Importance of maintaining good customers and suppliers' relationship to the business**
  - ✓ **Importance of maintaining good relationship with customers.**[33]

    Maintaining good relationships with customers is important for a number of reasons, including:

    - **Customer loyalty**: Satisfied customers are more likely to remain loyal to your business and make repeat purchases.
    - **Word of mouth**: Satisfied customers are more likely to recommend your business to friends and family, which can attract new customers.
    - **Brand reputation**: Customers who have a positive experience with your business are more likely to leave a review or post about it on social media.
    - **Competitive advantage**: Businesses that provide a great customer experience can generate more revenue than their competitors.
    - **Employee morale**: When customers are happy, employees are more likely to be happy.
    - **Meeting expectations**: Customers have expectations for your business, and meeting or exceeding those expectations can help ensure they stay with you.
  - ✓ **Importance of maintaining good relationship with suppliers.**[34]

    Maintaining a good relationship with suppliers is important because it can lead to many benefits, including:

    - **Improved product quality:** A reliable supplier will provide consistent, high-quality products, which can help maintain your brand's reputation and customer satisfaction.
    - **Increased efficiency**: A good relationship can lead to improved communication, which can help reduce supply chain delays and improve the flow of operations.

[33] https://l1nk.dev/svpdM

[34] https://l1nk.dev/UXE0e

- **Cost savings**: Long-term relationships can lead to better prices and terms, and businesses can collaborate with suppliers to identify cost-saving opportunities.
- **Competitive advantage**: Suppliers are often experts in their field and can provide valuable insights that businesses can use to improve product quality, reduce costs, and introduce new products.
- **Faster response to customer demand**: Increased transparency and coordination with suppliers can help supply chains respond faster to changes in customer demand.
- **It can help to get monetary benefits**. The good relationships we have with suppliers enable us to get discounts on goods we purchase.

- **Ways to address customer and suppliers' complaints**

The term complaint refers to the statement that something is wrong or not satisfactory. In business practices there could be the situation whereby customers or suppliers are not satisfied with the provided services and start complaining.

✓ **Ways to address customers' complaints.**[35]

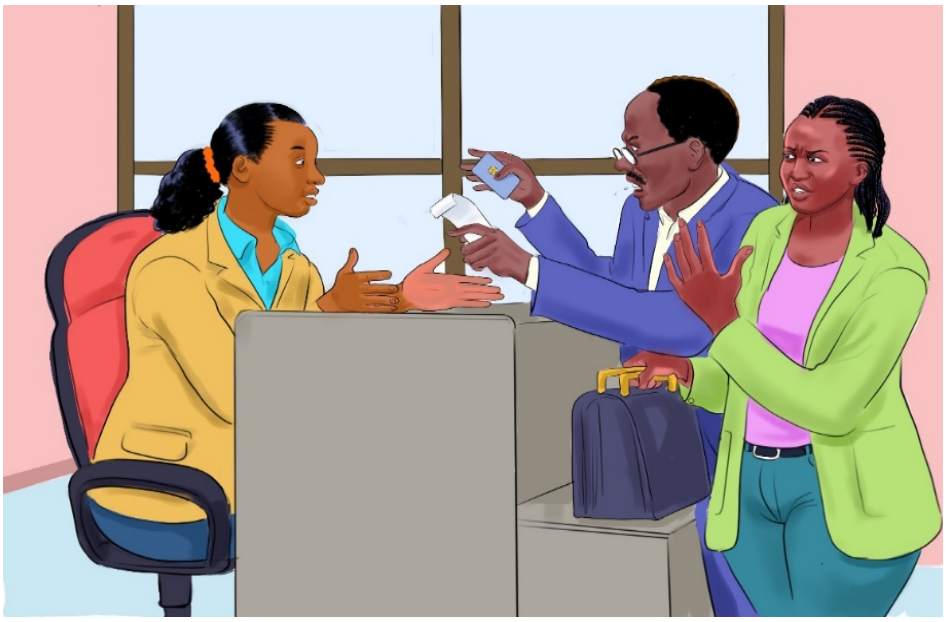

Figure 7: Frustrated customers.

[35] https://l1nk.dev/NPxQp

Here are some ways to address customer complaints:

- **Listen**: Actively listen to the customer, make eye contact, and keep an open mind. You can also take notes during the conversation.
- **Ask questions**: Ask follow-up questions to get a clearer picture of the problem.
- **Apologize**: Apologize sincerely to rebuild trust and show that your company takes responsibility.
- **Offer a solution**: Find a solution that works for both the customer and your business. Provide clear and concise instructions on how to proceed.
- **Acknowledge the complaint**: Thank the customer for raising the matter with you.
- **Resolve consistently**: Resolving customer complaints consistently helps build trust and show reliability.

✓ **Ways to address suppliers' complaints.**

Here are some ways to address supplier complaints:

- **Listen**: Genuinely listen to your supplier's concerns and work with them to address challenges.
- **Identify root causes**: Perform a detailed root-cause analysis to determine if the buyer or supplier is responsible for the issue.
- **Set clear expectations**: Clearly communicate your business needs, requirements, and deadlines to your suppliers.
- **Avoid blaming**: Focus on finding a solution together instead of blaming or accusing the supplier.
- **Set a deadline**: Set a deadline for the supplier to respond and take corrective action.

Activity 2: Guided Practice

Task 19: Read and answer the following questions:

Suppose that in city there is a service business. The city is over populated to the extent that it sometimes fails to serve all customers due to their large number. This creates a situation where by customers' claims for poor services given and even suppliers are no satisfied with how a business treat them. As a skilled person in business organization, provide strategic recommendations to handle customer's complaints.

Activity 3: Application

Task 20: Read and answer the following question:

Let's say that you are the your AB Company that produces and sells livestock products to other firms. One of your pontential clients got disappoited due to delayed and poor quality service delivery, as incharge of maitainining good customers relations address the issue for the benefit of the work.

Formative Assessment.

Attempt all questions:

1. Describe the meaning of ethical conduct in a business.
2. Describe the objectives of ethical conduct in a business
3. Suppose that you wish to start up the business in your sector
    a. Identify the rules and regulations can you set in the business?
    b. Explain the types of unethical behavior that your business will go away from?

c. Describe positive attitude that your business members will exhibit at work place?

d. Explain any 6 sanctions proposed by the law when your business demonstrate unethical behaviors?

4. Suppose that after school you and friends get capital for staring your small business. Working cooperatively requires that each is assigned with responsibilities for better functioning:

   a. Define responsibilities assignment in business?

   b. Describe the importance of assigning duties for the business workers.

   c. Describe responsibilities assignment matrix (RAM) in your business.

   d. Explain any **4** effects resulting from not taking responsibilities in the business?

5. Read and answer the following questions?

   a. Define customer and suppliers' relationship in a business.

   b. Identify any **6** purpose of maintaining a good relationship with customers and suppliers

   c. Describe the methods used to maintain good relationship with Customers and Suppliers?

   d. Identify any 5 importance of maintaining good customers and suppliers' relationship to the business?

Points to Remember

- Always ensure the compliance with Environmental laws set by REMA, Standard regulations set by Rwanda Standards Board (RSB), Equity and equality while assigning responsibilities in business and labor laws set by MIFOTRA

Self-Reflection

1. Read the statements across the top. Put a check in a column that best represents your level of knowledge, skills and attitudes.

My experience Knowledge, skills and attitudes	I do not have any experienc e doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Explain the objectives of ethical conduct in a business of ethical conduct					
Explain the positive attitude required to business members					
Identify the rules and regulations of the business.					
Demonstrate the rules and regulations of the business					
Describe the sanctions proposed by the law in business					
Explain the types of unethical behavior in a business.					
Demonstrate the ways to address unethical					

behavior at the workplace					
Describe the methods of handling unethical conduct in business					
Identify the ways/methods to address unethical behavior at the workplace					
Describe techniques of encouraging a positive ethical behavior in business					
Demonstrate team work spirit while working in group					
Explain the importance of positive ethical conduct in the business					
Demonstrate team work spirit while working in group					
Describe the responsibilities assignment in business					

Explain the importance of assigning duties.					
Identify the attribution of responsibilities in business.					
Describe responsibilities assignment matrix (RAM)					
Consider professional ethics while assigning responsibilities in business.					

2. Fill in the table above and share results with the trainer for further guidance.

Areas of strength	Areas for improvement	Actions to be taken to improve
1. **2.** **3.**	**1.** **2.** **3.**	**1.** **2.** **3.**

UNIT 3: PERFORM BUSINESS OPERATIONS

Unit summary

This unit provides you with the knowledge, skills and attitudes required to perform a business operations required to organize a business. It covers production of goods and services, the utilization of available resources, undertaking targeted promotional and marketing campaigns and Registration of the business organization

Self-Assessment: Unit 3

1. Referring to the unit illustration above, discuss the following:
   a. What do a picture above illustrate?
   b. Based on the illustration, what do you think this unit is concerned?
2. Fill and complete the self-assessment table below to assess your level of knowledge, skills and attitudes under this unit:
   a. There is no right or wrong way to answer this assessment. It is for your own reference and self-reflection on the knowledge, skills and attitude acquisition during the learning process.
   b. Think about yourself: Do you think you have the knowledge, skills and attitudes to do the task? How well?
   c. Read the statement across the top. Put a check in a column that represents your level of your knowledge, skills and attitudes
   At the end of this unit, you will re-assess yourself.

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Explain how you can produce goods and services					
Differentiate your products in business					
Explain the ways you can use to manage business resources.					
Describe the marketing strategies while					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
running the business					
Describe the meaning of business resources					
Use professionalism while managing the business resources					
Design the review of marketing mix					
Demonstrate working spirit while working in group					
Describe the types resources used by the business.					
Explain the purpose of optimizing the utilization of available resources					
Explain the methods to optimize utilization of available resources.					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Use professionalism while managing the business resources					
Demonstrate working spirit while working in group					
Demonstrate working spirit while working in group					
Explain the importance of optimizing available resources					
Explain product promotional and marketing campaigns.					
Describe techniques of product advertisement.					
Describe marketing campaign strategies					
Explain business registration					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe the requirements for business registration					
Explain the importance of a tax in socio-economic development.					
Describe the conditions for registering business in Rwanda.					
Describe the required documents for registering business Rwanda.					
Explain the penalties for failure to register to the tax system.					

Key Competencies

Knowledge	Skills	Attitudes
1. Explain how you can produce goods and services	1. Conduct product differentiation in the business	1. Consider being professional while differentiating products in the business.
2. Differentiate your products in business	2. Design the review of marketing mix	2. Use professionalism while managing the business resources
3. Explain the ways you can use to manage business resources.	3. Apply the methods used for controlling the utilization of resources	3. Demonstrate working spirit while working in group
4. Describe the marketing strategies while running the business	4. Conduct product promotional and marketing campaign	4. Demonstrate working spirit while working in group
5. Describe the meaning of business resources	5. Develop marketing campaign strategies	5. Consider professional ethics while managing the business resources
6. Describe the types resources used by the business.	6. Register the local company in Rwanda	6. Demonstrate working spirit while working in group
7. Explain the purpose of optimizing the utilization of available resources		7. Demonstrate working spirit while working in group
8. Explain the methods to optimize utilization of available resources.		
9. Describe the methods used to control utilization of resources.		

Knowledge	Skills	Attitudes
10. Explain the importance of optimizing available resources		
11. Explain product promotional and marketing campaigns.		
12. Describe techniques of product advertisement		
13. Describe marketing campaign strategies		
14. Explain business registration		
15. Describe the requirements for business registration		
16. Explain the importance of a tax in socio-economic development.		
17. Describe the conditions for registering business in Rwanda.		
18. Describe the required documents for registering business in Rwanda.		
19. Explain the penalties for failure to register to the tax system.		

Discovery Activity:

Task 21: Use your Entrepreneurial competences to answer the following questions:

1. Suppose you wish to launch the business.
   a. What do you know about product differentiation?
   b. What do you know about the management of cash flow and inventory?
   c. Which strategies can you use while marketing?
      i. Review of 10Ps of marketing mix.
      ii. Rehabilitation channel
      iii. Distribution channel
      iv. Review of 5Ps of marketing mix
      v. All of the above
      vi. None of the above.
2. Using your own words, describe the human resource management

Topic 3.1: Performing business operations

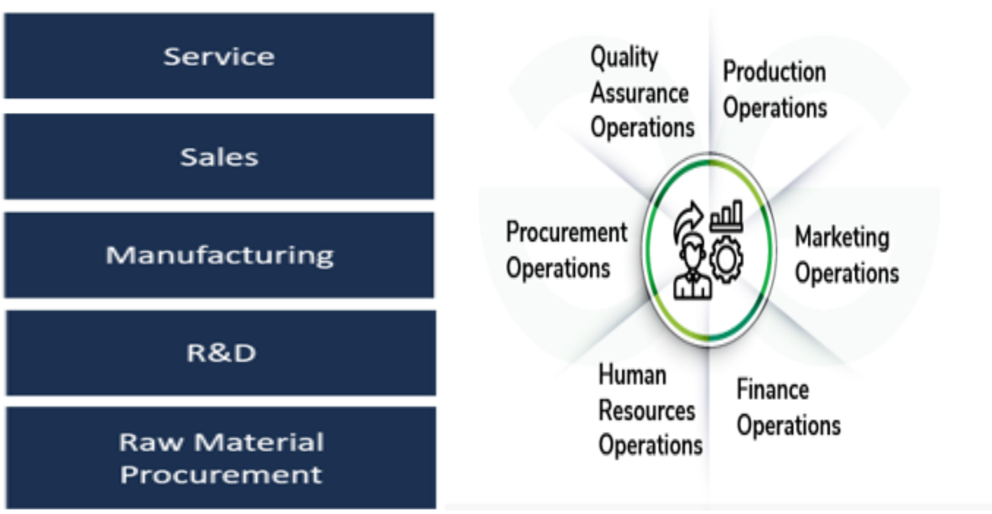

Figure 8: Business operations

Activity 1: Problem Solving

Task 22: Observe the above illustration and answer the questions on it

1. What do you see on the above illustrations?
2. Suppose that you sell good in a free market.
   a. How can you differentiate your products from those of competitors
   b. How can you control the quality of goods and services you seell at the market?
3. What are the ways of managing the business resources?
4. How can you do marketing of your goods and services?

Key fact 3.1: Performing business operations

- **Introduction**

  Business operations[36] are the activities that a company performs to deliver products or services to customers. These operations are designed to keep a business running smoothly and efficiently. Various operations that are carried out the by the business may include production operations, financial operations, marketing operations, human resources operations, … Business operations promote the business' efficiency, productivity and customer satisfaction.

- **Production of goods and services**[37]

  Production is the effective management of resources in producing goods and services. Production in a business is the process of using resources and assets to create products or services for customers. It involves combining inputs, such as materials and knowledge, to produce an output that has value.

  In business, production is based on some factors such as:

[36] https://surl.li/mjutkt
[37] https://encr.pw/cqLoI

- ✓ The nature of the product
- ✓ The size of the market
- ✓ The nature of demand
- ✓ The size of the business
- ✓ The technology used, …

- **Product differentiation.**

  Product differentiation is the characteristic or characteristics that make your product or service stand out to your target audience.

  It's how you distinguish what you sell from what your competitors do, and it increases brand loyalty, sales, and growth.

  How do you know if your product is differentiated?

  - ✓ Looking at sales and engagement will give your insight into whether your product or service is well-differentiated.
  - ✓ If you're not seeing the numbers you want, don't worry. You can always do more research, add or change a feature, or try a new marketing strategy.
  - ✓ **Why is product differentiation important?**

    The goal of product differentiation is:

    - To create a competitive advantage or to make your product superior to alternatives on the market.
    - The goal is to show potential customers what you can offer that other businesses can't and why that's valuable to them.
    - It leads to the successfulness of marketing.
  - ✓ **Advantages of product differentiation**
    - **Building brand loyalty:** Strong product differentiation makes your business memorable.
    - **Achieving higher price points:** You can increase your profits, sometimes by a significant margin, through product differentiation.
    - **Narrowing down your target audience**: Product differentiation helps you refine your target audience as well.

- ✓ **Types of product differentiation.**
  - **Vertical differentiation:** This is when customers choose a product by ranking their options from best to the worst using an objective measurement, like price or quality.
  - **Horizontal differentiation**: This is when customers choose between products subjectively, because they have no objective measurement to distinguish between best or worst**.**
  - **Mixed differentiation:** Customers making more complex purchases tend to use a mix of vertical and horizontal differentiation when making purchase decisions.
- ✓ **Quality control.**
  - **Meaning of quality control**

    Quality control (QC) is a process through which a business seeks to ensure that product quality is maintained or improved. Quality control involves testing units and determining if they are within the specifications for the final product. [38]

    QC is similar to **quality assurance (QA**), but QC refers to the inspection of the product or service, while quality assurance (QA) refers to confirming that the product or service meets the requirements.
- ✓ **Quality can be controlled through the following ways:**[39]
  - **Define quality standards**: Establish clear quality standards that define the desired characteristics and expectations of the product.
  - **Conduct inspections**: Systematically examine products or services to identify defects, inconsistencies, or deviations from desired quality standards.
  - **Perform tests**: Conduct tests to verify that products or services perform as expected.

- **Implement a Quality Management System (QMS)**: A QMS can impact your business's total performance.
- **Conduct regular service quality audits**: Audits should be conducted on a regular basis to obtain an accurate assessment of the quality of service being provided.
- **Make quality the responsibility of employees**: Quality assurance makes quality the responsibility of the employees involved in the production process.

✓ **Importance of quality control in a business.**[40]

Here are some benefits of quality control:

- **Consistent product quality**: Quality control ensures that every product meets the same high standards, which is essential for customer satisfaction and loyalty.
- **Reduced costs:** Quality control can help reduce waste, rework, and product recalls, which can save a company money on materials and production.
- **Enhanced reputation**: Quality control can help build trust and credibility with customers, which can lead to positive word-of-mouth and repeat business.
- **Regulatory compliance**: Quality control can help companies adhere to relevant industry regulations and standards, which can help them avoid fines, penalties, and legal issues.
- **Improved decision-making**: Quality control can provide reliable data and insights that can help with informed decision-making and strategic planning.
- **Competitive advantage**: Quality control can help a company stand out in the market and position itself as a leader in its industry.

- **Management of business resources**

The business needs resources in all operations. In absence of resources, the business cannot survive. Business resources should be well managed so that they can benefit the business as expected. Business has many kinds of resources such as financial, raw materials, technological resources, knowledge and skills, time, …

Business resources are the assets, facilities, and people that a company uses to operate and achieve its goals. [41]

These resources can be tangible or intangible, and can be internal or external to the company.

- ✓ **Control of cash flow.**

  Cash flow refers to the money that goes in and out of a business. Businesses take in money from sales as revenues (inflow) and spend money on expenses (outflow). They may also receive income from interest, investments, royalties, and licensing agreements and sell products on credit rather than for immediate cash.

- ✓ **Ways/methods of managing cash flow.**[42]

  Here are some ways to manage cash flow in a business:

  - **Forecast cash flow**: Predict a business's cash inflows and outflows over a period of time. This helps businesses make informed decisions and avoid cash shortages.
  - **Keep accurate records**: Keep accounting records up to date so you can see the financial state of your business.
  - **Separate business and personal finances**: Keep your business and personal finances separate so you can understand your business cash flow.
  - **Build a cash reserve**: Having access to cash is important for a business.
  - **Manage inventory**: Avoid over or understocking to save money and reduce waste. Excess inventory ties up capital that could be used elsewhere.

- **Negotiate payment terms**: As your business grows, negotiate favorable payment terms with clients and suppliers.

✓ **Importance of managing cash flow.**[43]

- **Financial stability:** Businesses can avoid cash flow shortages, late payments, and financial setbacks.
- **Meeting obligations:** Businesses can meet their obligations promptly.
- **Investing:** Businesses can invest in growth opportunities.
- **Withstanding economic downturns**: Businesses can withstand economic downturns.
- **Providing a buffer:** Businesses can provide a buffer against future financial challenges.

- **Management of inventory**

✓ **Meaning of inventory and inventory management**

Inventory[44] is a complete list of items such as property, goods in stock, or the contents of a building. Or **Inventory** refers to all the items, goods, merchandise, and materials held by a business for selling in the market to earn a profit.

Inventory management is the process of ordering, storing, using, and selling a company's inventory. It's important for ensuring a business has enough stock and positive cash flow.

Inventory management involves

- **Tracking**: Knowing the location of inventory across the supply chain
- **Ordering**: Creating and managing purchase orders
- **Storing**: Keeping inventory organized and in good condition
- **Selling**: Using inventory to meet customer demand
- **Auditing**: Regularly checking inventory to identify errors and discrepancies

✓ **Benefits of inventory management**

- **Reduced waste**: Avoiding overstocking and stock outs that can lead to lost sales
- **Improved customer satisfaction**: Having the knowledge and metrics to address customer concerns
- **Increased profitability**: Ensuring positive cash flow and avoiding lost sales

✓ **Inventory management techniques**

- **FIFO**: Using or selling the oldest stock first
- **LIFO**: Using or selling the newest stock first
- **Inventory management software**: Tracking and recording every movement of products

✓ **Marketing strategies**

A marketing strategy is a long-term plan for achieving a company's goals by understanding the needs of customers, whilst creating a distinct and sustainable competitive advantage.

It encompasses everything from determining who your customers are, to deciding what channels you use to reach those customers.

When developing a marketing strategy, consider the things such as:

✓ **Target market**: A defined group of customers who are most likely to buy a company's products or services.

✓ **Customer segmentation**: It's important to identify specific customer segments within the overall market so that marketing can be refined for each group.

✓ **Digital marketing**: This includes the use of online materials, such as SEO, social media, advertising, and content marketing.

✓ **Direct marketing**: This involves direct communication or distribution to individual consumers, rather than through a third party.

✓ **Review of 5Ps of marketing mix**

The 5 Ps are a set of variables that businesses can control to help them satisfy their target market, add value to their business, differentiate themselves from competitors, and make informed decisions about their product.

The 5 Ps of marketing, also known as the marketing mix, is a framework that helps businesses guide their marketing strategies:

- **Product**: The product or service being marketed
- **Price**: The price of the product or service
- **Promotion**: The methods used to promote the product or service
- **Place**: The distribution channels and locations used to make the product or service available to customers
- **People**: The target audience and how to connect with them.

The following is a table that shows how marketing mix is used in business decision making.[45]

Category (5Ps of marketing Mix)	Definition /Explanation/concept	Typical marketing decision
Product	• A product refers to an item that satisfies the customers' needs or wants. • Product may be tangible (goods) or intangible (services, ideas, or experiences)	• Product design features, quality. • Product assortment (merchandise mix): Product range, product mix, product line. • Branding • Packaging and labelling • Services (Complementary services, service level) • Guarantees and warranties. • Returns • Managing products through the life cycle.
	• Price refers to the amount a customer pays for a product.	• Price strategy • Price tactics • Price-setting

Price	• Price may be a customer's expectations for getting a certain product (Example time or effort). • Price is the only variable that has implications for revenues. • Price is the only part of the marketing mix that talks about the value for the firm. • Price also includes considerations of the customer perceived value.	• Allowances. For example: Rebates for distributors. • Discount for the customers • Payment terms: Credit, payment methods	
Place/Physical place	• Refers to providing customer access. • Considers providing convenience for customers	• Strategies such as intensive distribution, selective distribution, excessive distribution. • Franchising • Market coverage • Channel member selection relationships. • Assortment • Location decisions Inventory • Transport, warehousing and logistics.	
Promotion	• Promotion refers to marketing communications. • Promotion may comprise elements such as: advertising, public relation (PR), direct marketing and sales promotion.	• Promotional mix: The appropriate balance of advertising, PR, direct marketing, and sales promotion. • Message strategy: What is to be communicated	

People	• Human factors who participate in service delivery. • Service personnel who represent the company's values to customers. • Interactions between employees and customers.	• Staff recruitment and training uniforms • Scripting • Queuing systems, managing waits • Handling complaints, services failures. • Managing social interactions.

✓ **Distribution channel (Marketing channel, or marketing distribution channel)**

A distribution channel is the network of businesses and individuals that move a product or service from the manufacturer to the consumer.

A distribution channel is also the network of businesses or intermediaries through which a good or service is purchased by the final customer (buyer).

Distribution channels can include: wholesalers, retailers, distributors, and the internet.

There are several distribution channel that include the following:

- **Direct**: The manufacturer sells directly to the consumer, without using an intermediary. This allows the manufacturer to have complete control over the consumer process, build relationships with consumers, and reduce outside fees.
- **Indirect**: The manufacturer uses a wholesaler, retailer, distributor, or broker to sell their products. This means that the manufacturer doesn't have complete control over distribution channels.
- **Hybrid**: A combination of direct and indirect methods, allowing businesses to tailor their approach to different market segments or product types.
- **Dual**: The manufacturer uses more than one distribution channel simultaneously, such as selling directly to customers and using resellers simultaneously.
- **Reverse**: Goods move from the end consumer back to the manufacturer or distributor, as seen in recycling programs or returns

management. This can increase customer satisfaction and provide the potential for reusing or reselling returned goods.

- **The internet:** This means that businesses can reduce or eliminate the costs of distributing and selling their products. Companies no longer need to worry about setting up physical stores, transporting suppliers, or maintaining a fleet of delivery trucks. All they need to do is to build an online store and start accepting orders.

✓ **Human resources management**

Human resources refers to the personnel of a business or organization, regarded as a significant asset in terms of skills and abilities. Human resources are all people who work for an organization. [46]

Human resource management (HRM) is the practice of recruiting, hiring, deploying and managing an organization's employees. HRM is often referred to simply as human resources (HR).

✓ **Employee portfolio management.**

An employee portfolio is a collection of work samples and other documents that demonstrate an employee's skills, qualifications, and experiences. It can include a resume, samples of work, skills and awards, certificates, transcripts and letters of recommendation. **Employee portfolio management** is the centralized management of projects, programs, and other related work to achieve specific strategic business objectives. It involves selecting, prioritizing, authorizing, managing, and controlling these projects and programs.

✓ **The purpose of a portfolio is**: [47]

- To showcase an employee's qualifications and experiences in their field.
- It can help an employee stand out from other candidates.
- Make a positive impression on potential employers.
- **Demonstrate your capabilities:** A portfolio can help you show your relevant skills and abilities through examples of your work.

- **Document your accomplishments**: A portfolio can help you keep track of your accomplishments and when you acquired key competencies.
- **Prepare for interviews**: A portfolio can help you prepare for interviews by illustrating your proficiencies.
- **Update your resume**: You can pull information from your portfolio to update or tailor your resume for a specific job.

So, **an employment portfolio** is a collection of samples of your work and evidence of your employment achievements.

✓ **Tips for creating employee portfolio**[48]

- **Define your goals and audience**: Consider who will be viewing your portfolio and what you want to achieve with it.
- **Select your best work:** Include samples that demonstrate your skills and talents in a variety of ways. Depending on your industry, these could be presentations, articles, reports, or projects.
- **Organize logically**: Start with your personal experience and organize your portfolio in a way that makes sense.
- **Choose a format and design**: Select an appropriate format and design for your portfolio.
- **Update regularly**: Keep your portfolio up to date to reflect your current work and achievements.
- **Include a resume**: Attach your resume to your portfolio so employers can learn more about your education and work experience.
- **Add testimonials**: Include recommendations or testimonials from colleagues, clients, or supervisors to demonstrate your expertise and professional experience.
- **Introduce your portfolio**: Let the hiring manager know about your portfolio when you arrange your interview time. You can also mention it in your cover letter or during the interview.

- **Modes of employee payment.**[49]

When choosing a payment method, it's important to consider employee preferences and needs. The chosen method should be accessible to all employees, regardless of their location or banking situation. Other compensation options for employees include: benefits, bonuses, stock options, and flexible work arrangements. Here are several modes of employee payment, including:

- ✓ **Physical paycheck:** A paper paycheck is the traditional method of paying employees. For each pay period, you process payroll, print checks and distribute them to employees.
  - **Pros of paper checks.**
    - **Familiarity:** A paper check is simple and familiar.
    - **Flexibility:** Your employees don't need bank accounts to access the money. For a fee, they can use a check-cashing service.
    - **No shared banking information:** Some employees prefer paper checks to keep bank account information private
  - **Cons of paper checks**
    - **Slower:** A check has to be taken to the bank and processed before funds are available.
    - **Time-consuming:** Processing paper checks takes your payroll department a lot of time, especially if you have a large staff.
    - **Increased cost:** Creating physical checks adds to your payroll costs. You need the checks, a printer and ink to keep things rolling.
    - **Delays:** If employees are on vacation or sick on payday, they have to wait until they get back to receive their pay.
- ✓ **Direct deposit:** This is a popular payment method. Your employees provide their bank account information. When you process payroll, their earnings go directly to their bank accounts on payday using an electronic funds transfer.

- **Pros of direct deposit.**
  - **Instant access:** As soon as the money reaches the employee's account, they have access to the money.
  - **No lost checks:** Since there's nothing physical for the employee to receive, there's no risk of them losing the payment like they could with a paper check.
  - **Faster processing:** Initially setting up direct deposit can take some time since you have to enter the banking information. Once you're set up, it's quick to process.
  - **Lower cost:** Direct deposit can be one of the cheaper methods of paying employees since you don't need any supplies.
  - **Paper trail:** Direct deposit leaves a convenient audit trail, and it's easy to track mistakes when they happen.
- **Cons of direct deposit.**
  - **Processing time:** The timing for processing payroll is important if you choose direct deposit for employee payments.
  - **Shared banking information:** Some employees may not want to share their bank account information with you when they complete their new employee forms.
  - **Bank account required:** Your employees must have a bank account to receive their pay via direct deposit.

✓ **Cash**: Paying your employees in cash isn't common, but it is an option. It's usually only feasible if you have a very small company.

- **Pros of cash**
  - **No fees:** Handing over cash eliminates processing fees and supplies that other payment methods require.
  - **Instant access:** You can guarantee your employees get their money on payday when you give them cash. They can start spending their wages immediately.

- **Cons of cash.**
    - **Lack of paper trail:** Other payment methods provide an automatic paper trail that makes it easy to track. Cash lacks that built-in audit trail.
    - **Loss potential:** Having that much cash on hand puts you at risk for theft.
    - **Inconvenient deposits:** If an employee wants their money in the bank, they have to make a trip to their financial institution to deposit the cash, which adds an extra step.
    - **Time-consuming:** Recording cash payments can take more time.

✓ **Payroll card:** Payroll cards are similar to debit cards. On payday, you load each employee's card with the earnings for that pay period.

- **Pros of payroll cards.**
    - **No bank account needed:** Spending money on a payroll card doesn't require the employee to have a bank account.
    - **Instant access:** Employees can spend the money as soon as it's loaded onto their cards.
- **Cons of payroll cards.**
    - **Fees:** Costs can vary, but payroll cards usually require setup and regular fees
    - **Loss potential:** If an employee's payroll card gets lost or stolen, they lose access to the money.
    - **Regulations:** Some states heavily regulate this payment method, which can make it more challenging to use.

- **Ways of motivating employees.**[50]

Here are some ways to motivate employees:

✓ **Encourage professional development:** Employees want to learn and grow in their field, so encourage them to keep developing their skills.

- ✓ **Offer flexible scheduling**: Flexible scheduling can help employees meet family obligations or work better at certain times of day.
- ✓ **Empower autonomy**: Allow employees to make decisions and own their work, which can boost job satisfaction and innovation.
- ✓ **Encourage teamwork**: Working as a team can help employees feel valued and contribute meaningfully to the company.
- ✓ **Accept feedback**: Accepting employee feedback shows that their work matters and they are valued.
- ✓ **Celebrate achievements**: Recognize employees' hard work and the results it produced, no matter how big or small the task.

Activity 2: Guided Practices

Task 23: Read and answer the following question:

You are hired as a skilled in business management for explaining business operations for youth entrepreneurs in Agakenye sector. Draw marketing mix for them

Activity 3: Application.

Task 24: Read and answer the following question.

You are hired as a Human Resources (HR) for Sweat Business Ltd. Some of your duties and responsibilities include the development of work portfolio. Create a succeeding portfolio for the post of Human Resources (HR).

Topic 3.2: The utilization of available resources

Figure 9: Company resources

Activity 1: Problem Solving

Task 25: Observe the above illustration and answer the following questions:

1. What does the above illustration illustrate?
2. Use your own words to define business resources.
3. Which resources do you think are used in business operation?
4. The available resources should be well optimized. What is the purpose of optimizing the utilization of available resources?
5. What are the methods used to optimize utilization of available resources?
6. Which methods can you use to control utilization of resources?
7. Optimizing available resources is very important to different stakeholders. To whom is it important? How important is it for them?

Key fact 3.2: The utilization of available resources

- **Introduction**

  Resources refers to a stock or supply of money, materials, staff, and other assets that can be drawn on by a person or organization in order to function effectively.[51]

  Resources are all items, equipment, tools, knowledge and skills that could be used to do something, for example business activities. Wherever resources are being used, they should be used optimally so as to avoid them lose or wastage.

- **Meaning of business resources and types of resources**

  Business resources.[52]

  Business resources are the assets, facilities, and people that a company uses to operate and achieve its goals. The basic resources are land, labor and capital. Other resources include: entrepreneurship, information, expertise, management, energy and time. All the resources mentioned above are required to carry out production.[53]

  Resources can also be internal or external to the company.

  ✓ **Internal resources**: Resources originating from the inside of the business.

  Internal Resources Include:

  - Employees
  - Capital
  - Technology
  - Processes that improve the company's operations

  ✓ **External resources.**[54]

  External resources are assets and capabilities that a business uses from outside its organization to create value and improve operations

  External resources include:

  - Partnerships

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[51] https://acesse.one/8016Z
[52] https://acesse.one/GQMqb
[53] https://elearning.reb.rw/course/view.php?id=676
[54] https://l1nk.dev/SeN1L

- Supply Chains
- Customer Relationships
- Expertise
- Contractors
- Consultants
- Vendors And
- Outsourcing Firms.

- **Types of business resources**

Resources needed by the business differ from business to business. Business that offers services to customers uses resources that are different from that of tangible (goods) producing businesses. The common resources needed by the businesses include people, knowledge and skills, raw materials, technology, …

Types of resources include the following[55]:

✓ **Financial resources**: These resources refer to the money available to a business for the successful starting and running of a business enterprise by an entrepreneur.

Financial resources such as money are necessary to buy and acquire other resources such as land, labor, raw materials, machines, and so on.

Businesses generate financial resources through many activities such as:

- Personal savings
- Sale of products and services,
- Issuance of shares,
- Loans from friends, relatives or financial institutions.

✓ **Human resource**: Are people who use their knowledge and skills to produce goods, provide services or run business enterprises. For example, a teacher uses his/her professional skills to equip learners with knowledge and life skills required for survival in a school, community and country. Human resources are very important in a business since they make other resources into use.

[55] https://elearning.reb.rw/course/view.php?id=676

- ✓ **An asset**: Asset is a resource that is expected to provide a future benefit to its owner. In the case of businesses, assets are reported on the company's balance sheet.
- ✓ **Technological resources**: Technological resources basically refer to systems, machines and tools required to effectively produce or create products or provide services.

  Technological resources are the systems, machines and tools required to effectively produce/ create products or provide services. Examples of technology resources include: ATM machines, computers, tractors, generators, printers, scanners, and so on
- ✓ **Raw materials**: These are the basic materials from which goods and products are made. Raw materials are very necessary in an enterprise for without them, goods and products cannot be produced.
- ✓ **Information:** These resources are defined as the data and information used by an entrepreneur in an enterprise.

  Information may include data on customers, suppliers, financial institutions, government regulatory bodies, workers and so on required by an entrepreneur for the successful running of an enterprise.
- ✓ **Time:** This is an important resource for entrepreneurs. It determines quantity of production and the volume of human, financial and other resources required. Proper coordination of all the resources over time helps an entrepreneur to create products and deliver services efficiently and effectively.

- **Purpose and methods of optimizing the utilization of available resources**

  Resources refers to all aids needed to perform a specific task in business. When resources are hired into the business, the main purpose is facilitating the production of good and services. So, it's very paramount to utilize them in optimum way. **Optimum utilization** is the process of using a company's resources in the most efficient way to maximize their value. It is also the process of using an organization's assets in the most efficient way possible to achieve goals. [56]

[56] https://acesse.one/g5Sii

It's a critical strategy for ensuring project success, profit growth, and sustainable growth.

The purpose of optimizing the utilization of available resources is to ensure that resources are used efficiently and effectively, while minimizing waste, costs, and risks. This can help ensure project health, profit gains, and sustainable growth.

Other purposes include the following:[57]

- ✓ **Project health**: Ensures projects are delivered on time and within budget
- ✓ **Profit gains**: Maximizes return on investment (ROI)
- ✓ **Sustainable growth**: Helps organizations reach their goals more quickly and efficiently
- ✓ **Productivity**: Prevents staff from underperforming or becoming overburdened
- ✓ **Better visibility**: Reduces the risk of oversights
- ✓ **Agility**: Allows project managers to reschedule resources quickly to avoid problems
- ✓ **Quality outcomes**: Maximizes resources for specific tasks, resulting in higher quality project outcomes

- **The methods to optimize utilization of available resources.[58]**
  - ✓ **Resource management software**: Use software to track resource availability and allocation in real time. This can help you understand how to distribute resources across projects.
  - ✓ **Resource forecasting**: Use resource forecasting to estimate project requirements and identify resource shortages or excesses.
  - ✓ **Resource leveling**: A technique that redistributes tasks and assignments to balance the workload of resources.
  - ✓ **Resource smoothing:** It is a technique used to adjust the activities of the schedule model. It ensures that the requirements for the allocated resource on the project do not go beyond or exceed the pre-defined resource limits.

[57] http://surl.li/kjlnpo
[58] https://l1nk.dev/dsBDp

- ✓ **Resource forecasting**: A technique that looks ahead to assess future resource needs
- ✓ **Monitor and adjust**: Regularly monitor and adjust resource allocation to keep resources in check.
- ✓ **Prioritize and delegate**: Prioritize tasks and delegate them to the right people to reduce wasted resources.

- **The methods to control he utilisation of available resources**

While utilising the available resources it's better to find the best ways/methods for controlling resource utilisation. This is done purposely to avoid their wastage and achieving the organisation's intended goals.

The following are methods used to control utilization of resources: [59]

Here are some methods for controlling resource utilization:

- ✓ **Procedures of using resources:** In your business, set and agree on how you should use the resources available to avoid misuse.
- ✓ **Targeted result:** For a better use of the available resources, set the results to be achieved using a defined amount of resources and ensure to respect it.
- ✓ **Inventory planned:** Think about the size of inventory that needs to be used in a given period of time and ensure to use it as it is for maximum results.
- ✓ **Resource forecasting**: Anticipate future needs by analyzing past projects, current trends, and team capacities. This can help avoid resource over allocation, shortages, and clashes.
- ✓ **Anticipated emergencies in planning:** Emergency planning is the process of developing a comprehensive strategy to address and mitigate disastrous situations. This method enables to deal with emergencies when they occur while utilizing resources.
- ✓ **Resource planning**: Ensure that a project has the right people with the right skills and experience, as well as other required assets.

[59] https://l1nk.dev/HOitE

- **Importance of optimizing available resources**

  The following are importance of optimizing available resources to:

  ✓ **Employees:** [60]

  Optimizing available resources for workers can have many benefits, including:

  - **Improved employee satisfaction**: When employees are not overworked or taking on too many projects, they are more satisfied with their jobs.
  - **Increased employee morale**: When employees are provided with the resources they need to complete projects, they feel more supported and their morale increases.
  - **Better employee efficiency**: When employees are able to work on tasks they are good at; they are more efficient.
  - **Cost savings**: When resources are used more efficiently, operational costs can be reduced.
  - **Better forecasting:** Resource management techniques can help identify resource shortages or skill gaps before they impact projects.

  ✓ **Business owners**[61]

  - **Cost reduction**: Businesses can lower operational costs by using resources more efficiently. For example, optimizing office space and equipment usage can reduce rent and utilities.
  - **Enhanced project quality**: Better resource allocation can improve project delivery and overall success, which can lead to higher customer satisfaction and retention rates.
  - **Better decision-making**: Businesses can make better decisions when they have better visibility into allocations, skills, or capacity.
  - **Reduced employee turnover**: Businesses can reduce employee turnover by effectively managing resources.
  - **Improve productivity**: Resource optimization can help entrepreneurs improve productivity and efficiency by enabling them to do more with less.

[60] https://acesse.one/HZJI3
[61] https://l1nk.dev/cV4B6

- **Enhance competitiveness**: Resource optimization can help entrepreneurs enhance their competitiveness by enabling them to operate more efficiently and effectively meet customer needs.
- **Identify skills shortages**: Resource management software can help entrepreneurs identify skills shortages and training requirements.

✓ **Business stakeholders.**[62]

Optimizing resources is important to stakeholders because it helps ensure that projects are completed on time and within budget, and that expectations are met.

- **Improved productivity**: Resource optimization helps teams have the right amount of work, which keeps them motivated and engaged.
- **Cost savings**: By allocating resources where they are needed most, resource optimization reduces the likelihood of over-allocation or under-utilization.
- **Improved decision-making**: Data-driven analysis from resource optimization provides insights into the performance of different projects and departments. This helps leaders make informed decisions about budgeting, planning, and resource allocation.
- **Improved profitability**: Resource management provides insight into actual project costs, which can help organizations improve their overall profitability.
- **Continuous improvement**: Resource optimization promotes a culture of continuous improvement, where teams learn from experiences and implement changes for future projects.

[62] https://l1nk.dev/MuJk

Activity 2: Guided Practice

Task 26: Answer to the following questions:

In your home cell, there are many infant businesses and yet resources optimization matters for any kind of business. With resources optimization table, advice the businesses accordingly.

Activity 3: Application

Task 27: Read and answer the following question:

1. Fill and present the table below by stating the resources required to set up each enterprise with their corresponding usage.

Enterprise	Resources required	Use of the resources
Electronic company		
Pottery		
Hotel		
Construction company		

Topic 3.3: Undertaking targeted promotional and marketing campaigns.

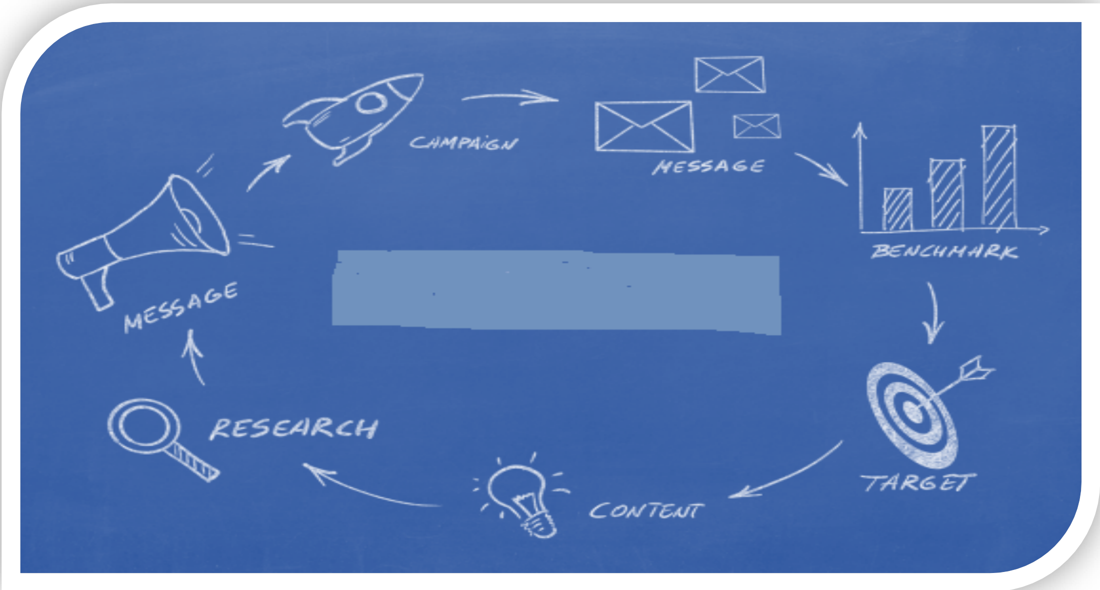

Figure 10: Way of undertaking product promotion and marketing campaign.

Activity 1: Problem Solving.

Task 28: Read and answer the following questions:

1. How can you define business promotion and promotional campaign?
2. Which techniques can you use to promote the business products when you are marketing manager in the company?
3. How can you develop marketing campaign strategies for your business?

Key fact 3.3: Undertaking target promotion and marketing campaign.

- **Product promotional and marketing campaigns**
  - ✓ **Meaning of terms**

    Product promotion: Product promotion means an action taken by a company's marketing staff with the intention of encouraging the sale of a good or service to their target market.

Product promotion is as defined as the process of educating potential and current customers about a product's value to generate interest and encourage them to make a purchase. It's one of the four P's of marketing, along with price, product, and place. [63]

Business promotion is the act of persuading customers to buy a product or service. It can include advertising, public relations, sales promotions, and personal selling. [64]

A promotional campaign is a series of marketing tools and advertisements that share a common message or idea to encourage customers to take a specific action or purchase. The goal of a promotional campaign is to increase brand awareness, promote a new product or service, or generate sales quickly.

A promotion strategy: Is defined as the plan and tactics you implement in your marketing plan to increase your product or service demand. Promotional strategies play a vital role in the marketing mix (product, price, placement, and promotion), and they revolve around.

Marketing campaigns: This refers to the sets of strategic activities that promotes a business's goal or objectives. A marketing campaign could be used to promote a product, a service, or the brand as a whole.[65]

A product promotion campaign is a marketing strategy that promotes a specific product to potential and existing customers. The goal of a product promotion campaign is to educate customers, generate interest, and encourage them to make a purchase.[66]

✓ **Aspects of products promotion.**

- **Advertising product or brand:** Product promotion will help if your target audience doesn't know or trust your brand (make the customers know and trust), and this will help you to increase your customer base and sales.

- **Advertising**: A paid promotion strategy that uses various media channels to inform consumers about a product or service.

[63] https://acesse.one/Kn9it
[64] https://surl.li/mcmozu
[65] https://l1nk.dev/8nTgZ
[66] https://acesse.one/Kn9it

- **Personal selling**: A one-on-one form of communication with the customer where the salesperson informs and persuades the customer.
- **Public relations (PR)**: Managing how stakeholders develop an understanding of your company, including communicating with the media, writing press releases, and managing events.
- **Direct marketing**: A promotional marketing element that can help create brand loyalty and increase sales.
- **Sponsorship**: A way to generate publicity by sponsoring an event, contest, or race.
- **Branding**: A promotional tool that can include logos, slogans, and colors. An integrated communication strategy can help ensure a unified brand identity and recognition across all communication channels.

- **Techniques of products advertisement and developing marketing campaign strategies.**

  Product advertising is a marketing strategy that promotes and sells a specific product to consumers. It can be used to create demand for a product through various channels, including: Television, Radio, Print, Social media, Display advertising, Video, Email, and SMS. It is the responsibilities of a marketing manager to select the right techniques of advertising the business products.

  These techniques are as follows:

  - ✓ **Public relations/publicity**: This can help set the stage for how customers respond to marketing.
  - ✓ **Newspapers:** Newspaper advertising is a traditional marketing method that can be an effective way to reach a specific audience.
  - ✓ **Sales promotion**: is a marketing technique that uses short-term campaigns to increase interest and demand for a product or service.
  - ✓ **Personal selling**: A one-on-one form of communication with the customer where the salesperson informs and persuades the customer.

- ✓ **Direct marketing:** Send direct mail, such as letters or postcards, to potential customers in a specific area.
- ✓ **Influencer marketing**: Use influencers to create brand awareness, build user trust, and generate sales.

- **Developing marketing campaign strategies**
  - ✓ **Clear & concise calls-to-action:** A clear and concise call to action directs the customer toward the desired action, increasing the likelihood of conversion.
  - ✓ **Hyper-target to a niche audience:** Hyper-targeting begins with identifying and understanding who is your target audience precisely. By leveraging data about your target group and adjusting your budget or campaign size to the specific needs, you can achieve better results.
  - ✓ **Create a story that speaks to all medias:** Forms an emotional and personalized connection between the brand and a consumer. It can give a face to a brand or help to convey brand values.
  - ✓ Make it easy to share
  - ✓ **Inspire interaction:** is the process through which brands use video, comments, visual, games, email, social media to have a bilateral exchange with customers.
  - ✓ Use a memorable and repeatable spokesperson who can convince the target audience.

Activity 2: Guide practice

Task 29: Read and answer the following question:

Mr. MILINDA is human relation officer in the ABC Ltd. His duties and responsibilities includes the advertisement of the business through different platforms. As a technician in business management, give a piece of advice to Mr. Milinda on techniques that he would use for advertising the ABC Ltd.

Activity 3: Application

Task30: Read and answer the following question.

AB Ltd is company that produces maize flour. This company is struggling to find and promote its flour. The manager is finding the aspects of product promotion and how to develop marketing campaigns. Using the table given below, advise the manager on aspect of marketing campaign strategies.

Aspect of product promotion	Developing marketing campaign strategies

Topic 3.4: Registration of business organisation

Activity 1: Problem solving

Task 31: Observe the following illustration and answer the following questions

Figure 11:Business registration.

1. Referring to the figure above, answer the following questions:

a. What do you understand by business registration?

b. What requirements for business registration in Rwanda?

c. Is it important to register for taxes in Rwanda? If the answer is Yes, how important is in socio-economic development of Rwanda.

d. What penalties do tax payers are charged due to failure of registering to the tax system?

Key fact 3.4: Registration of business organization

- **Introduction**

  When thinking of starting a business, it's better to include the registration with the government authority. Registration of a business is beneficial to the business as the business gains social recognition, access to funding, legal protection and many others. When you start business activities without registering with the government authority the business faces penalties, lacks credibility and many penalties are attached. So, it's better to register any business before starting its operations.

- **Meaning of business registration and types of business organization**

  ✓ **Meaning of business registration**

  Business registration is the process of legally establishing a business with a government authority so that it can operate within a specific jurisdiction. It's a crucial step for entrepreneurs to take when starting a new business.

  Business registration is a crucial step for entrepreneurs to take when starting a new business. Business registration establishes a business's legal identity, ensures compliance with tax laws, and protects its name and brand. It also provides benefits like liability protection and access to funding. The process of **registering a business** can vary by country and region, but it typically involves: choosing a business name, determining the business structure, registering with the tax authority, and obtaining necessary licenses and permits.

- **Types of business organization**

Any business started should be of any type. Type of the business also shows the ownership of the business. ownership show who owns the business enterprise.

There are four major forms of business ownership recognised by law. These include the following sole proprietorships, partnerships, joint stock companies and co-operatives**.**

The following are 4 major forms of business registration:

- ✓ **Sole proprietorship.**

  A sole proprietorship is a business owned and run by a single person, with no legal separation between the owner and the business. The owner is personally liable for all debts and losses, but receives all profits.

  - **Features of sole proprietorship.**
    - Sole proprietorships are formed, owned and managed by one person.
    - The owner provides all the capital required.
    - The owner is also fully responsible for all debts of the business.
    - The owner may employ other people to assist in the business operations.
    - All the profit of the business belongs to the owner.

- ✓ **Partnership**

  A partnership is a type of business enterprise formed by two or more people referred to as partners, with the intention of making profits.

  A legally binding document called a business partnership agreement outlines the details of the partnership, including: ownership stakes, financials, responsibilities, and decision-making strategies.[67]

  - **There are two types of partnerships, namely;**
    - **Ordinary partnership:** This partnership is formed by a minimum of two to a maximum of twenty people.
    - **Professional partnership:** This partnership is formed by professionals such as lawyers, accountants, doctors and

[67] https://l1nk.dev/77Zqx

architects. Such partnerships are limited to a maximum of fifty partners. Examples of partnerships include; Murenzi and Kayitesi company advocates, Rutayisire and Mutesi auditing firm, Kigali medical center, and so on.

- **Features of partnership**
  - They are formed and owned by a minimum of two and a maximum of twenty people in the case of ordinary partnerships and a maximum of fifty people for the case of professional partnerships.
  - Partners raise business capital jointly.
  - The law does not distinguish between the business and its owners.
  - All partners have unlimited liability over the debts of the business. Partners have duties and responsibilities in the operations and management of the business as guided by the Deed of Partnership.
  - The action of one partner is binding to all other partners.
  - In law, each partner is an agent of the business and therefore can buy and sell on behalf of the business.
  - The profit made by the business belongs to all the partners. It is shared in the proportion spelt out by the Deed of Partnership.

A partnership deed, also known as **a partnership agreement**, is a legal document that outlines the terms of a business owned by multiple people. It's the foundation of a partnership firm and defines the rights, responsibilities, and roles of each partner.

  - All business decisions are made jointly by the partners through consultations, consensus or majority vote.

✓ **Corporation/Limited-liability companies**

A limited liability company (LLC) is a business entity that prevents individuals from being liable for the company's financial losses and debt liabilities. In the event of legal action or business failure, liability is assumed by the company rather than its constituent partners or shareholders.

A limited liability company is also defined as a business formed by two or more people under the Company Act to carry out business activities with the aim of making profits. The capital of a limited company is divided into small units known as shares. Each share represents an equal amount of money.[68]

- **Types of Joint Stock Companies.[69]**

There are two types of joint stock companies. These are:

- ✓ **Private limited companies:** These are limited companies restricted by law to a minimum of two shareholders and a maximum of fifty shareholders. Their operations are strictly controlled by the shareholders.
- ✓ **Public limited companies:** These are limited companies where the law does not restrict the maximum number of shareholders. Thus, while the minimum number of shareholders in a public limited company is two, the law does not restrict the maximum number of shareholders.

- **Features of limited liability companies.[70]**
  - **Legal control:** The formation, registration and operations of joint stock companies are strictly controlled and regulated by law through the Companies Act.
  - **Legal entity:** The law recognizes a joint stock company as a legal entity and therefore distinctly separate from the shareholders of the company.
  - **Limited liability:** Shareholders of a limited company are not expected to pay the debts of the business beyond the amount of capital they have raised in form of shares

[68] https://l1nq.com/3Au7b
[69]https://elearning.reb.rw/pluginfile.php/11722/mod_resource/content/1/S3%20Entrepreneurship%20SB.pdf
[70] https://l1nq.com/3Au7b

- **Raising capital in form of shares:** The capital of a joint stock company is raised through the sale of small units known as shares.
- **Managed by a board of directors:** The management and operations of a joint stock company is carried out by a board of directors.
- **Sharing of profits among shareholders:** The profits made by a joint stock company are shared among the shareholders according to number and type of shares held by each shareholder. The shared profits are called **dividends.**
- **Perpetual existence:** The death or withdrawal of a shareholder does not affect the capital of the company neither does it affect its existence.

✓ **Cooperative**[71]

A co-operative also known as a co-operative society consists of a group of people with a common purpose who voluntarily come together, pooling their resources together in order to enjoy the economies of scale and improve their economic well-being.

A co-operative business is a business that is owned and democratically controlled by its members.

Types of cooperative in Rwanda.[72]

The Rwanda Cooperative Agency (RCA) categorizes cooperatives into three types:

- Production cooperative organizations.
- Commercial and consumer cooperative organizations.
- Savings and credit cooperative organizations.

Features of cooperative.

The following are the features of co-operative societies:

71 https://elearning.reb.rw/pluginfile.php/11722/mod_resource/content/1/S3%20Entrepreneurship%20SB.pdf

72 https://l1nk.dev/mzu7S

- **Recognition as legal entity:** In law, a co-operative society is recognized and treated as a legal entity distinctly separate from the members who form it.
- **Limited liability:** The members of a co-operative society have limited liability.
- **Sale of shares to members:** Co-operatives raise their capital through the sale of shares to those who wish to become members of the society
- **Voluntary membership:** Membership to a co-operative society is free and voluntary.
- **Equal participation:** All members of a co-operative society have equal rights to participate in its affairs.
- Democratic control and management
- **Common bond:** All members of a given co-operative society have a common interest that brings them together. Such interest is known as a common bond
- **Profit sharing:** The profit made by a co-operative society is known as a surplus.

- **Requirements for business registration.**

Business registration is 100% an online process and free of charge. For those in Rwanda, a registration support team is availed by the office of the registrar General to assist clients who meet difficulties during online registration. Before registering a business in Rwanda, the business owner has to know that the name must be approved prior to incorporation, to provide a local physical address.

✓ **Registering a Local Company.**[73]

To register a local company in Rwanda, you'll need to:

- **Choose a name**: Reserve a business name
- **Prepare documents**: Gather the following documents:

[73] https://acesse.one/VoUwM

- **Register with RDB and RRA**: Visit the Rwanda Development Board (RDB) with your business concept and name, and fill out the required forms
- **Obtain permits and licenses**: Get the necessary permits and licenses
- **Open a bank account**: Open a bank account for your business.

✓ **During registration**:

You can choose from several business entities, including sole proprietorship, partnership, limited liability company (LLC), public limited company (PLC), and foreign company branch. Each type of entity has its own legal requirements, so it's important to choose the one that best fits your business model.

✓ **After registering:**

you'll receive a Certificate of Domestic Company Registration and a tax number (TIN). You'll need to include your TIN on all invoices.

- **Registering a branch of a foreign company in Rwanda.**[74]

To successfully register a branch of a foreign company in Rwanda, you will need to provide the following documents:

✓ **Power of Attorney:** A notarized power of attorney authorizing the representative to present the company in Rwanda.

✓ **Memorandum and Articles of Association:** A duly authenticated and notarized copy of the company's memorandum and articles of association.

✓ **Certificate of Registration/Incorporation**: A notarized certificate issued by the registration authority in the country of incorporation.

✓ **Notarized Resolution:** A notarized resolution from the authorized agency granting permission to open the branch in Rwanda.

✓ **Passport Copies**: Passport copies of the company's shareholders and directors.

✓ **List of Directors**: A list of directors residing in Rwanda, with at least one director living in the country. Once these requirements are met, the process of registering your branch in Rwanda can begin.

[74] https://www.linkedin.com/pulse/registering-branch-foreign-company-rwanda-innocent-muramira--mud3f/

- **Registering a Local branch.**

  Requirements for registering a local Branch Company in Rwanda: [75]

  - ✓ Preferred name of the proposed company
  - ✓ A Description of the activities of the Business/ Company
  - ✓ Passport size photographs of all the directors and shareholders
  - ✓ Physical and e-mail address, telephone number and occupation of all shareholders/directors of the proposed company
  - ✓ Local physical address of the company
  - ✓ Share apportionment percentage.
  - ✓ List of directors residing in Rwanda (at least One)

- **Registration to the tax system**

  When you start taxable activities you must register for Income Tax. You are automatically registered for income tax when registering your business through Rwanda Development Board (RDB). When you register to the system you enjoy many benefits such as easy to get business funding, recognized as a legal entity but when you operate without registering to the tax system your business may be closed or you may suffer many penalties.

  A tax registration refers to the process of registering to the tax system. When you register your company, share the following information.

  - ✓ How much do you expect to sell in a year?
  - ✓ If you will be selling to other business or
  - ✓ If you'll be selling to other businesses or to users
  - ✓ If you'll be using your company's legal name
  - ✓ If your company was ever acquired
  - ✓ Where you do business including physical locations, warehouses, and where you sell products or provide services.

  A person who sets up a business or other activities that may be taxable is obliged to register business with the Registrar General within a period of seven (7) days from the beginning of the business activity. However, a person who carries out

75 https://afrisetup.com/rwanda/services/company-registration-in-rwanda

non-commercial activities which can generate tax, has the responsibility to register with tax Administration.[76]

✓ **Importance of a tax in socio-economic development.**

- **Infrastructure development**: Taxes fund the non-revenue-yielding services that are commonly known as infrastructure, such as communications systems.
- **Capital formation**: Taxes provide the means to increase savings for capital formation from domestic sources.
- Taxes can also promote sustainable development of Rwanda.
- **Economic stability.** The instability that may be brought about by inflation and deflation is corrected by the tax collection.
    - **Inflation** refers to a situation in which there is persistence increase in the general price levels of goods and services over a period of time. During inflation, the government will impose more taxes so as to discourage more spending by reducing the individual's disposable income.
    - **Deflation** refers to the general fall in prices of goods and services over a period of time. During deflation, taxes are reduced so as to encourage more spending on goods and services.
- **People working for the government are called civil servants** are paid from the taxes that the government collect.
- **Servicing public debts, both domestic and external:** Tax revenue is used to pay off money borrowed by the government from international financial institutions as well as that borrowed locally in terms of treasury bonds.
- **Creation of more employment opportunities:** Funds collected can be invested in various projects that offer jobs to many people.
- **Discouraging the consumption of harmful products:** The government must be concerned about the social welfare of its

[76] https://www.rra.gov.rw/en/domestic-tax-services/registration-de-registration

citizens. Commodities such as alcohol and cigarettes are legal yet harmful to human health. Such goods are taxed heavily so as to make them expensive and unaffordable to many people in the society.

- ✓ **Registration conditions**
  - **Filling in a registration form:** Different forms are used for companies and individuals as the requirements of registration are different. For Example:
    - Value Added Tax (VAT) monthly declaration form.
    - Annual corporate tax declaration forms
  - **Legal form of a business:** This a certified copy of the legal instrument of incorporation of the company or association. It shows the legality of the business entity.
  - **Types of taxes:** Indicate all types of taxes the company owes to RRA. This is done in the declaration forms, …
  - Fill in all the other information required on the forms
  - Submit the forms the Rwanda Revenue Authority.

- **Advantages of registering to the tax system.**[77]

The following are the advantages of subscribing to the tax system:

- ✓ When you apply for small business loans, you need to prove that you own a business. Lenders and investors will ask to see your business registration before approving a loan
- ✓ Your customers will also feel more confident about buying from a legal business than from one that is not registered.
- ✓ Many export businesses receive tax discounts from the government. This is done to encourage the growth of Rwanda's export sector.
- ✓ Paying taxes help the government to build and fund different public activities such as building and maintaining roads, schools and hospitals
- ✓ When you become part of the tax system, you are entitled to a tax certificate. This allows you to be an official operator in a business sector.

[77] https://elearning.reb.rw/course/view.php?id=660&section=5

- ✓ The individual or corporate entity is able to take part in business as this is a requirement for continuing in business.
- ✓ The individual or corporate entity can be proud that it is also contributing to national building.

- **Sanctions/penalties for failure to register to the tax system.**

  The following are some offences that lead to payment of interests and penalties:

  - ✓ Operation without VAT registration where VAT registration is required.
  - ✓ Incorrect issuance of a VAT invoice resulting in a decrease in the amount of VAT payable.
  - ✓ Failure to issue a VAT invoice.
  - ✓ Issuing of a VAT invoice by a person who is not registered for VAT.
  - ✓ Aiding, abetting, obstructing or attempts to obstruct the activities or duties of the Tax Administration in the exercise of its powers.
  - ✓ Failure to keep a register of the daily inventory of the products manufactured and a sales register.
  - ✓ Producing fraudulent documents or misinformation
  - ✓ Failure to pay tax within the period set by the law
  - ✓ Failure to file a tax declaration on time.
  - ✓ Failure to reply to a request for information of the tax administration.
  - ✓ Failure to cooperate with a tax audit.
  - ✓ Failure to fulfill registration requirements.
  - ✓ Failure to keep books and invoices.
  - ✓ Failure to make time quarter payment on profit tax.

- **Sanctions/ penalties for not subscribing to the tax system**

  Sanction is a threatened penalty for disobeying a law or rule

  - ✓ Monetary fine
  - ✓ Imprisonment
  - ✓ Closure of the business
  - ✓ Cancellation of the registration certificate
  - ✓ Denial of public tender.

Activity 2: Guided Practice

Task 32: Read the scenario and answer the attached question:

Miss. KARAMA is a new recruited business development officer and she is invited to train the local youths who are ready to start their own businesses on the business registration. As a person with entrepreneurial competencies. Design a document detailing all requirements for business registration.

Activity 3: Application

Task 33: Read and answer the following question

Your Uncle owns a small business that produces Yoghurt. The business carries out many activities including production, selling and distribution, maintenance and many others. He wants to register his business as a legal entity and for the tax system. Kindly assist him in filling the all required documents for registration purpose.

Formative Assessment

Attempt all questions:

1. Suppose that you wish to launch the business.
   a. Define product differentiation?
   b. Which ways can you use to manage cash flow and inventory?
   c. Which strategies can you use while marketing?
      i. Review of 10Ps of marketing mix.
      ii. Rehabilitation channel
      iii. Distribution cannel

iv. Review of 5Ps of marketing mix

v. All of the above.

vi. None of the above.

2. Read and answer the following questions.
   a. Using your own words, describe the human resource management
   b. What is the meaning of employee portfolio management?
   c. Describe the modes of employee payment
   d. How can you motivate your employees in business?
3. Suppose that are an employee in charge of resource management
   a. What do you understand by the term business resource?
   b. Describe any 4types of resources used in business?
   c. Which method can you use to control utilization of resources?
   d. How important is it to optimizing available resources to employees?
4. Describe techniques of product advertisement
5. Which requirements for registering a local company in Rwanda?
6. Explain the relevance of a tax in socio-economic development of Rwanda

Points to Remember

- **Consult the business plan while performing business operations.**
- **Ensure the proper use of resources for effectively achieving the intended business goals.**
- **Follow the environmental laws governing the business operations.**
- **Consider the laws related to standards set by Rwanda Standards Board (RSB) for the effectiveness of the business operations**

Self-Reflection

1. Read the statements across the top. Put a check in a column that best represents your level of knowledge, skills and attitudes.

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Explain how you can produce goods and services					
Differentiate your products in business					
Explain the ways you can use to manage business resources.					
Describe the marketing strategies while running the business					
Describe the meaning of business resources					
Use professionalism while managing the business resources					
Design the review of marketing mix					
Demonstrate working spirit while working in group					
Describe the types resources used by the business.					
Explain the purpose of					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
optimizing the utilization of available resources					
Explain the methods to optimize utilization of available resources.					
Use professionalism while managing the business resources					
Demonstrate working spirit while working in group					
Demonstrate working spirit while working in group					
Explain the importance of optimizing available resources					
Explain product promotional and marketing campaigns.					
Describe techniques of product advertisement.					
Describe marketing campaign strategies					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Explain business registration					
Describe the requirements for business registration					
Explain the importance of a tax in socio-economic development.					
Describe the conditions for registering business in Rwanda.					
Describe the required documents for registering business in Rwanda.					
Explain the penalties for failure to register to the tax system.					

2. Fill in the table above and share results with the trainer for further guidance.

Areas of strength	Areas for improvement	Actions to be taken to improve
1. **2.** **3.**	**1.** **2.** **3.**	**1.** **2.** **3.**

UNIT 4: RESPOND TO CUSTOMER NEEDS

Unit summary

This unit provides you with the knowledge, skills and attitudes required to respond to customers' needs required to organize a business. It covers developing and maintaining goods, service, and market knowledge , provision of quality customer service, resolving customer complaints and difficult service situations.

Self-Assessment: Unit 4

1. Referring to the unit illustration above, discuss the following:
   a. What do pictures above illustrate?
   b. Based on the illustration, what do you think this unit is concerned?
2. Fill and complete the self-assessment table below to assess your level of knowledge, skills and attitudes under this unit.
   a. There is no right or wrong way to answer this assessment. It is for your own reference and self-reflection on the knowledge, skills and attitude acquisition during the learning process.
   b. Think about yourself: Do you think you have the knowledge, skills and attitudes to do the task? How well?
   c. Read the statement across the top. Put a check in a column that represents your level of your knowledge, skills and attitudes

   At the end of this unit, you will re-assess yourself.

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe goods and services in business context					
Demonstrate the tips on knowing your products and services. Demonstrate teamwork spirit while working in group					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Explain the importance of knowing your products and services					
Describe the tips on knowing your products and services					
Describe the difference between goods and services					
Justify the market opportunities for the business					
Demonstrate the Service delivery procedures					
Consider ethical practices while justifying the market opportunities for the business.					
Explain the importance of product and service adjustment on customer satisfaction.					
Carry out the products and service adjustment					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Consider ethical culture while carrying product and service adjustment procedures					
Explain the key terms of customer care such as customer, client, customer service, …					
Demonstrate customer profile					
Show professionalism while demonstrating customer profile					
Describe the customer care principles.					
Demonstrate the principle of customer care.					
Show group work spirit while working in group					
Describe the techniques used to determine customer preferences, needs and expectations.					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe the anticipations of customer's needs, expectations and preferences					
Demonstrate professionalism while demonstrating determining customer preferences, needs and expectations.					
Show group work spirit while working in group					
Explain the factors influencing customer preferences, needs and expectations.					
Explain the tips for satisfying customer preferences, needs and expectations					
Explain the importance of customer satisfaction for the business					
Explain the consequences of customer dissatisfaction					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Explain how to promote products and services					
Demonstrate the methods used for promoting					
Describe customer complaint.					
Procedures for handling customer complaints					
Show procedures for handling customer complaints					
Show professionalism while showing procedures for handling customer complaints .					
Describe the difficult service situations					
Demonstrate the difficult service situation					
Explain the techniques for resolving difficult Service situations.					
Explain the techniques for					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
resolving difficult Service situations.					
Demonstrate the technique for resolving difficult services situations.					
Demonstrate professionalism while showing					

Key Competencies:

Knowledge	Skills	Attitudes
1. Describe goods and services in business context	1. Apply the tips on knowing your products and services.	1. Demonstrate teamwork spirit while working in group
2. Explain the importance of knowing your products and services	2. Deliver the Service delivery procedures	2. Consider ethical practices while justifying the market opportunities for the business.
3. Describe the tips on knowing your products and services	3. Carry out the products and service adjustment	3. Consider ethical culture while carrying product and service adjustment procedures

Knowledge	Skills	Attitudes
4. Describe the difference between goods and services	4. Design a customer profile used to understand the customer segments	4. Show professionalism while demonstrating customer profile
5. Justify the market opportunities for the business	5. Use principles of customer care in delivering services.	5. Show group work spirit while working in group
6. Explain the importance of product and service adjustment on customer satisfaction.	6. Use appropriate the methods used for promoting products and services	6. Demonstrate professionalism while demonstrating determining customer preferences, needs and expectations.
7. Explain the key terms of customer care such as customer, client, customer service.	7. Handle customer complaints	7. Show group work spirit while working in group
8. Describe the customer care principles.		8. Show group work spirit while working in group
9. Describe the techniques used to determine customer preferences, needs and expectations.		9. Show professionalism while showing procedures for handling customer complaints .
10. Describe the anticipations of customer's needs, expectations and preferences		10. Demonstrate professionalism while showing procedures for handling customer complaints .

Knowledge	Skills	Attitudes
11. Explain the factors influencing customer preferences, needs and expectations.		
12. Explain the tips for satisfying customer preferences, needs and expectations		
13. Explain the importance of customer satisfaction for the business		
14. Explain the consequences of customer dissatisfaction		
15. Explain how to promote products and services		
16. Describe customer complaint.		
17. Procedures for handling customer complaints		
18. Describe the difficult service situations		
19. Explain the techniques for resolving difficult Service situations.		

Discovery activity:

Task 34: Read the following passage and answer the questions on it.

1. When business operates, the main intention is to satisfy the needs of customers. Suppose that you own a business and you fight for satisfying all the needs of customers.
   a. What is the meaning of goods and services in the business context?
   b. Is it important to know your business products? If the answer is Yes, how important is it?
   c. How can you differentiate between goods and services of the business?
2. Outlines the service delivery procedures in the business operation
3. Read and answer the following questions
   a. Define the term customer care
   b. While giving customer care, which principles can you adopt in your business?
   c. Which factors influencing customer preferences, needs and expectations.
4. Suppose that you are offering business services and some of your customers are so stubborn and so difficult.
   a. Define the term customer complaint?
   b. What procedures can you follow while handling customer complaints?
   c. Which techniques for resolving difficult service situations in business?

Topic 4.1: Developing and maintaining goods, service, and market knowledge[78]

Figure 12:Product development and market knowledge

Activity 1: Problem Solving

Task 35: Refer to the above illustration and answer the questions on it.

1. Suppose that you open up your own business and the main intention is to satisfy the needs of customers.
   a. What is the meaning of goods and services in the business context?
   b. Is it important to know your business products? If the answer is Yes, how important is it?
   c. How can you differentiate between goods and services of the business?
   d. Outlines the service delivery procedures in the business operation.
   e. Which tips can you use to satisfy customer preferences, needs and expectations?

[78] https://theaiminstitute.com/product-development/new-product-development-process/

Key fact 4.1: Developing and maintaining goods, services and market knowledge

- **Key terms definition**
  - ✓ **Meaning of goods and services**

    In business, **goods** are physical products that are sold to customers by companies. **Goods** are tangible items that can be seen, touched, and felt, and have physical attributes like size, weight, color, and shape.

  - ✓ **Types of goods.**[79]

    In economics, the goods are of the following types:

    - **Public goods:** A public good in economic terms is a commodity or service that is provided without profit to all members of a society, either by the government or by a private individual or organization, with the intention of benefiting society at large
    - **Private goods**: These goods are not readily available for free and are produced by companies with the goal of making profits.
    - **Inferior goods**: These goods are purchased less as income increases.
    - **Giffen goods**: These goods are low-income, non-luxury products for which demand increases as the price increases.
    - **Capital goods**: These goods are physical assets used for production, such as by businesses to produce goods or services for consumers.
    - **Consumer goods**: These goods are finished products bought by individual buyers for their use, such as clothing, food products, and appliances.
    - **Luxury goods**: These goods are in demand more than what is proportional as income rises.

  - ✓ **Meaning of services**

    In business context, **a service** is defined a work done for others to provide something that is needed or wanted.

    The service enterprises are businesses that provide intangible products that satisfy customer needs in exchange of acceptable compensation. The services are intangible item that cannot be touched.

[79] https://acesse.one/i8oPQ

A service business provides its customers with expertise, personal labor, or skilled services instead of physical products.

Types of services provided by entrepreneurs.[80]

The services that entrepreneurs can provide include the following:

- **Information technology consulting**: Offers advice on software solutions, technology infrastructure, and digital transformation.
- **Training**: Helps employees develop soft skills, such as teamwork skills, through team-building activities.
- **Construction services**: Businesses can rely on contractors or outside consultants to provide expertise and services instead of hiring many employees.
- **Design**: Web design service providers can design, upgrade, and maintain websites.
- **Managed IT services**: A third party, also known as a managed service provider (MSP), takes care of the maintenance of IT infrastructure.
- **Transportation**: A service that can be offered by a service business.
- **Cleaning services**: A non-professional service that can be offered by a service business

✓ **Importance of knowing your products and services.**

Knowing your products and services is important for customer satisfaction, sales, and effective communication. It helps build trust, create added value for customers, and maintain sales. The following are importance of knowing your products and services: [81]

- **Better customer service**: Customers like to know they can rely on you for answers to their questions. When you know your products well, you can:
  - Match customers' needs with the right product or service
  - Let customers know if a product isn't right for them
- Identify additional products or services that can benefit customers

[80] https://l1nk.dev/lAfVu
[81] https://acesse.one/DLe8G

- **Cost savings**: Product knowledge can help you handle a wider range of concerns on your own, which can lead to cost savings.
- **Improved customer satisfaction**: When customers receive accurate assistance, they're more likely to be satisfied.
- **Brand building**: A knowledgeable team can create exceptional customer service, which can lead to positive word-of-mouth and attract new customers.
- **Increased sales**: With product knowledge, you can recommend complementary or upgraded options that meet customers' needs.

✓ **Tips on knowing your products and services and Comparison between goods and services**

The business owners have to know well the customers as well as the goods and services for satisfying them. The business has to respect the following piece of advices in order to know its products and services. The tips on knowing your products and services include the following: [82]

- **Get hands-on experience**: Use the product yourself to gain practical experience.
- **Stay up to date**: Follow product updates, industry trends, and review internal documentation**.**
- **Engage with product teams**: Attend product demos and workshops, and join product communities.
- **Ask questions**: Ask questions and test your knowledge**.**
- **Consider customer needs**: Focus on customer needs and review customer feedback.
- **Provide training**: Provide consistent training and opportunities to practice.

- **Comparison between goods and services**

Goods and services are an essential part of an economy, and these two terms are used in most of the important economic discussions.

There are many products that a consumer purchases in order to fulfill their certain requirements. These products can be either in the form of goods or services.

[82] https://l1nk.dev/P4oHH

Goods are tangible, as in these have a physical presence and they can be touched, while **services** are intangible in nature.

The purpose of both goods and services is to provide utility and satisfaction to the consumer. The following table shows the comparison between goods and services.[83]

Basis of Comparison	Goods	Services
Nature	Tangible	Intangible
Transfer of Ownership	Possible	Not Possible
Separable	Goods can be separated from the seller	Services cannot be separated from the service provider
Storage	Goods can be stored	Services cannot be stored
Perishable	Not all goods are perishable	Services are perishable
Production and Consumption	Goods have a significant time gap between production and consumption,	Services are produced and consumed together

Table 2: Comparison between goods and services.

- **Market opportunities**

  A market opportunity refers to a favorable combination of circumstance that enables a business to enter and compete in a specific market segment.[84]The following are factors influencing market opportunities:

  ✓ **Customers' shopping trends:** Trends, either up or down, reflect momentum in the price of a market or security. Many investors and traders try to identify trends so that they can buy when markets rise and sell when they fall. Identifying trend reversals is key for exiting trend trades.

[83] https://byjus.com/commerce/difference-between-goods-and-services/
[84] https://surl.li/ebtrij

- ✓ **Competition:** In business, competition is when multiple businesses or individuals try to be more successful than each other. This can be done by making more sales, offering better products, or providing more options to consumers.

  Competition can affect market opportunities in several ways, including:

  - Better market selection
  - Improved quality and lower prices
  - Opportunities to improve business
  - Stand out from the crowd

- ✓ **The availability of raw materials** can impact market opportunities in a number of ways, including:

  - **Product quality:** When high-quality raw materials are available, a company can produce a better product, which can increase demand and supply. If only low-quality raw materials are available, the product may be lower quality, which could decrease demand and supply.
  - **Supply chain:** Disruptions to the supply chain, such as those caused by natural disasters, pandemics, or geopolitical factors, can impact the availability of raw materials. These disruptions can lead to shortages, which can impact production and sales.
  - **Economic harm:** If raw materials become difficult to acquire, demand may shift to other goods and supply chains, which can lead to economic harm.

- ✓ **Reserved customers:** Reserve customer can refer to a customer order that has been placed but not yet. The more the business gets many reserved customers, the more it gets more market for goods and services.

- **Service delivery procedures.**

  Service delivery procedures are a set of steps that help businesses ensure they deliver high-quality services to customers. Common service delivery procedures include the following:

  - ✓ **Preparation:** This is an important part of service delivery procedures, which are the structured tasks and activities an organization performs to provide customer services. Here are some ways to prepare for service delivery:

- ✓ **Plan ahead:** Create a plan that specifies the methods, expected results, resources, and team members for service delivery.
- ✓ **Standardize processes:** Ensure that customers receive the same level of service across different channels and partners.
- ✓ **Monitor performance:** Measure and analyze performance against realistic targets and standards.
- ✓ **Service interaction:** The exchange between a service provider and a customer. This is the key part of the service delivery process, which is the structured sequence of activities that an organization uses to provide customer services.
- ✓ **Evaluation:** Evaluation is a key part of the service delivery process because it helps businesses identify areas for improvement and make strategic decisions.
- ✓ **Set clear targets:** Businesses can establish performance metrics, service level agreements (SLAs), and key performance indicators (KPIs) to measure the effectiveness of their service delivery.
- ✓ **Analyze user interactions:** Businesses can analyze user interactions, feedback, and overall product metrics to understand how well the product meets customer needs.
- ✓ **Evaluate quality, pricing, and positioning:** Businesses can evaluate the quality, pricing, positioning, and overall performance of their goods and services in the market.
- ✓ **Providing feedback and observation:** This is an important part of service delivery procedures because it helps businesses to:
  - Identify flaw
  - Improve product
  - Understand customer satisfaction
  - Find room for improvement

- **Products and service adjustment.**
  - ✓ **Definition of Product adjustment.**[85]

    An adjustment is generally a small change that improves something or makes it work better.

    Product adjustment: The changing of a product in order to provide superior satisfaction and win over buyers from other brands and products.

    Marketers must often make **product adjustments** in order to keep the product competitive and continue to provide satisfaction to the buyer.

    Product adjustments occur when firms change the quality of an existing product or adjust the set of products on the market toward products with higher or lower levels of quality**. Product adjustment involves:** [86]

    - Changing a product's quality
    - Changing a product's price
    - Changing a product's quantity
    - Changing a product's cost.
  - ✓ **Definition of service adjustment**

    Service adjustment: The changing of a service in order to provide superior satisfaction and win over buyers from other brands and products.

    Service adjustment involves:[87]

    - Service price adjustment
    - Service recovery adjustment
    - Payment adjustment
    - Balancing services adjustment data
    - Billing adjustment.
  - ✓ **Types of products and service adjustment.**[88]

    There are many types of product and service adjustments, including:

    - **Product transformation**: A common reason for adjusting product prices is cost changes, such as changes in production, labor, or raw materials.

[85] https://l1nq.com/Dy2a8
[86] https://l1nk.dev/4kmSk
[87] https://acesse.one/CUEF3
[88] https://l1nk.dev/zNyMr

- **Segmented pricing:** Selling a product or service at different prices, even if the cost is the same. For example, museums and movie theaters may charge different prices to different customers.
- **Dynamic pricing**: This is a strategy that involves adjusting prices based on the needs of the customer and the situation. Prices are adjusted on a daily or hourly basis, taking into account many variables.
- **Bundle pricing/Discount and allowance pricing**: This is a strategy where companies offer a lower price for their products. This can include seasonal discounts, quantity discounts, and other discounts.
- **Differential pricing**: Pricing that differs for different groups or customers. Pricing may differ by region, area, product, or time.
- **Quantity adjustments**: A way to remove quality changes that can be quantified, such as changes in weight, dimensions, purity, or chemical composition.

✓ **Product and service adjustment procedures.**[89]

Here are some steps you can take to adjust a product or service:

Step 1: Understand your customers: Gather customer feedback through surveys, interviews, reviews, social media.

Step 2: Conduct market research: Market research can provide insights into what your customers want and what your competitors are offering.

Step 3: Adjust marketing and operations: Redirecting marketing and sales efforts can be a strategic pivot to align resources with new priorities.

Step 4: Adjust pricing: You can use competitive pricing to set prices in line with your competitors.

Step 5: Adjust production: Production can be affected by events that are difficult to plan for or predict, such as changes to client specifications, supply chain lags, equipment failures, and worker illness.

Step 6: Determine your target customers: Have a clear idea of who you're going to sell to.

[89] https://acesse.one/OlNVU

Step 7: Use value-based pricing: Price your products based on what the actual or perceived value of the goods or service is.

- ✓ **Importance of product and service adjustment on customer satisfaction.**[90]

  Product adjustments can be important for customer satisfaction because they can help businesses:

  - **Improve product quality**: Identifying and sharing product features early in development can help reduce failures.
  - **Understand customer need:** Customer feedback can help businesses identify areas for improvement and ensure their products meet customer demands.
  - **Provide a good selection**: Customers need to be able to find the products they're looking for, but not so many that they're overwhelmed.
  - **Deliver on time**: Fast and reliable shipping is important for customer satisfaction.
  - **Better customer retention**: Businesses can identify and address issues that cause dissatisfaction by actively seeking customer feedback.
  - **Increased customer lifetime value**: Satisfied customers contribute more to the business over time.

- ✓ **Challenges with products/services adjustment.**

  There are several challenges that can arise when adjusting products or services, including:

  - **Convincing customers:** A new business model may require convincing customers to consider a new offering, which can include new payment models, contracts, and responsibilities.
  - **Cannibalizing other product offerings:** A new product can potentially take market share from other products.
  - **Customer expectations:** Customers have high expectations, and businesses must strive to exceed them in areas such as product quality, delivery times, and pricing.

[90] https://l1nk.dev/OJ6w0

- **Engineering challenges**: During the development process, a product may have flaws that prevent it from performing as expected.
- **Insufficient customer data**: Consumers may use an Omni channel approach to research and purchase, which can lead to gaps in product marketing data.
- **Poor pricing**: Pricing a new product incorrectly can affect its success. If the price is too high, buyers may hesitate, and if the price is too low, the product may be perceived as low quality.

Activity 2: Guided Practice

Task 46: Read the passage and answer the questions on it:

DJ. JABO is the customer care officer in AKARYOSHYE CO. Ltd. Some of the clients are claiming that the services in AKARYOSHYE are satisfying their needs. You are requested to design procedures for service delivery that will be referred to while offering services in AKARYOSHYE CO. Ltd

Activity 3: Application

Task 37: Read the following short passage and answer the questions on it:

Recently you have been given a position of quality control in your company, your boss request you to observe and suggest for improvement.

Task: Develop an observation report having strategic recommendations for the company considerations.

Topic 4.2: Provision of quality customer service

Figure 13: Ways of handling customer complaints

Activity 1: Problem Solving

Task 38: Read and answer the following questions:

1. Let's say that you are customer care officer in your company:
    a. What does the above illustration show?
    b. How can you define the term customer care while training?
    c. Which principles can you adopt in your business.
    d. Which techniques can you apply to determine customer preferences, needs and expectations?
2. What anticipations of customer's needs, expectations and preferences that all customer care officer can think of?
3. What do you think are factors that influence customer preferences, needs and expectations?
4. What do you understand by customer complaints?
5. Which techniques can you use to handle customer complaints if any?
6. Suppose the you are a customer care officer and there are some difficult services situation.
    a. What do you understand by the difficult service situation?

b. What are techniques can you use to handle difficult service situation in the business?

Key fact 4.2: Provision of quality customer service

- **Introduction to customer care**
  - ✓ **Key terms definition.**
    - **Customer**: It is generally defined as a person who buys a good, product, or service. More specifically, customers are people or businesses currently purchasing, have purchased, or may be interested in purchasing a product or service from another individual or company.
    - **Client:** In business, a client is a person or organization that receives professional services or advice from a business or service provider in a long-term relationship.
    - **Need:** In business, a need is a resource or method that an organization requires to achieve its goals. Needs are high-level representations of the requirements needed to solve a problem or achieve an objective. In our normal life, needs are essential for human survival.
    - **Customer care:** Customer care can therefore be defined as the activities that a seller does to influence customers to make repeated purchases. Customer care is intended to ensure that the customer does not become dissatisfied with the seller's services. Good customer care results in many customers remaining loyal to the business resulting to increased sales and profit. So, **Customer care** is the process of interacting with customers to keep them satisfied and happy with a brand, product, or service. [91]
    - **Customer need:** A customer need is a desire, expectation, or requirement that motivates a customer to purchase a product, service, or brand.[92]
    - **Customer satisfaction:** Customer satisfaction is a measure of how happy customers are with a company's products, services, and capabilities. It can be applied to any interactions with a company, before, during, and after a sale.

[91] https://acesse.one/k7WA4
[92] https://acesse.one/dDLqK

- **Quality service:** Quality service, or service quality, is a measure of how well a service meets a customer's expectations. It's important for businesses to understand their customers' expectations and provide a service that matches or exceeds them.[93]

✓ **Customer profiles[94]**

- **Meaning of customer profile**

  A customer profile is a collection of data about a customer, including their demographics, psychographics, and purchasing behaviors. Customer profiles are a key part of a company's marketing and business plans. They help businesses understand their customers, identify target audiences, and create effective marketing strategies.

  A customer profile is also defined as a document that contains key information about your ideal customer. You can use it as a strategy guide to creating personalized experiences.

- **Types of information included in customer profile**

  Here are some types of information that can be included in a customer profile:

  - **Demographics**: Age, location, job title, income, and other basic details
  - **Psychographics**: Values, interests, attitudes, and personality traits
  - **Purchasing preferences**: Goals, motivations, pain points, and buying behavior
  - **Brand interactions**: Frequency of contact with the brand, and which communication channels they prefer

- **Importance of customer profile for the business.[95]**

  ✓ **Identify target audiences**: Customer profiles help businesses identify and analyze customer segments based on shared characteristics.

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[93] https://l1nk.dev/OXic9
[94] https://acesse.one/pmCAU
[95] https://l1nk.dev/IlY5v

- ✓ **Improve customer satisfaction:** Accurate customer profiles help businesses create tailored experiences that meet their customers' needs, which can lead to increased customer satisfaction and engagement.
- ✓ **Boost sales**: Customer profiles help sales teams identify high-quality leads and customize their approach to close more deals.
- ✓ **Understand customer motivations**: Customer profiles provide insights into what customer's value most when interacting with brands, and what motivates their purchases.
- ✓ **Develop products**: Customer profiles can help businesses understand common pain points and the motivations behind purchases, which can inform product development.

- **Effect of customer service.**
  - ✓ **Positive effects of customer services.**[96]

    Customer service is an important part of a business structure because it can help a company to:

    - **Increase sales**: A good customer service plan can help increase sales.
    - **Build brand loyalty**: Loyal customers are more likely to keep coming back to a business.
    - **Generate referrals**: Satisfied customers are more likely to recommend a business to others.
    - **Retain customers**: Customer retention can be improved by providing good customer service.
    - **Gain a competitive advantage**: Unique aspects of a business's customer service can help it stand out from competitors.
    - **Improve public image**: Good customer service can help improve a business's public image.
  - ✓ **Negative effects of customer services.**[97]

    There are several disadvantages to customer service, including:

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96 https://l1nk.dev/WO9lv
97 https://acesse.one/ymvF8

- **High costs**: Providing excellent customer service can be expensive, requiring investments in training, staff, and technology.
- **Time-consuming**: Personalized service can take time, which can slow down processes and delay service to other customers.
- **Unrealistic expectations**: Consistently high service can set unrealistic expectations for customers.
- **Employee dissatisfaction**: High pressure, disgruntled managers, and irate customers can lead to employee dissatisfaction and churn.
- **Lack of customer focus**: Irregular hours can lead to fatigue and stress, which can impact the quality of service provided to customers.
- **Negative brand perception**: Call center outsourcing can lead to negative reviews if centers fail to meet expectations.
- **High stress levels**: The fast-paced nature of customer service can lead to high levels of pressure and stress, especially during peak times.

✓ **Levels of customer services.**

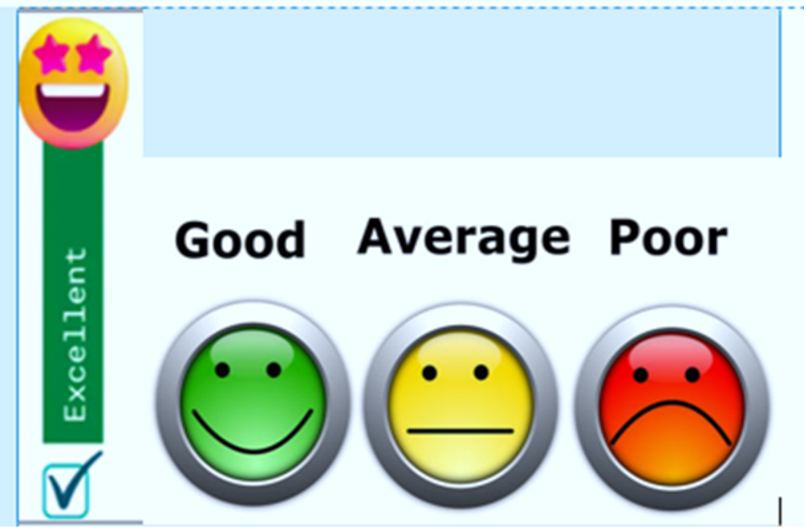

Figure 14: Customer care principles

Customer service is in three main levels:

Level 1: Excellent service[98] in business is when a company consistently goes above and beyond customer expectations to create positive experiences and build lasting relationships. It can be achieved by:

- ✓ **Anticipating needs**: Being proactive and offering help or recommendations before customers ask.
- ✓ **Being empathetic**: Listening to customers, asking questions, and addressing issues effectively.
- ✓ **Communicating promptly**: Responding quickly and resolving issues in a timely manner.

Level 2: **Good/Average services/mediocre:** This means consistently meeting customer expectations. It can also mean that something is neither very good nor very bad, usually when you had hoped it would be better. Here, the service provided is okay. Those providing service care about customers but might not be able to provide the customer with his/her feedback.

According to a study, only 16% of customers will recommend a company to others if they receive average customer service. In contrast, 84% of customers who receive great customer service will recommend that brand.[99]

Level 3: Bad/poor customer service: This is when a business fails to meet customer expectations for service quality, response time, or overall customer experience. It can manifest in several ways, including: rude behavior, unwarranted delays, poor communication, a lack of empathy, and transferring callers too many times. [100] Poor customer service can have **negative impacts on a business**, including:

- Reduced customer satisfaction and retention.
- Damaged reputation and
- Negative word-of-mouth.

[98] https://l1nk.dev/BamGu
[99] https://acesse.one/ZsxHF
[100] https://l1nk.dev/7GrMZ

Some **reasons why businesses may provide poor customer service** include:

- Lack of resources, tools, or training.
- Outdated technology.
- Relying solely on initial basic training for agents.

✓ **Duties and responsibilities of a customer care provider.**[101]

Customer care providers, also known as customer service representatives, have many duties and responsibilities, including:

- **Responding to customer inquiries:** Customer care providers respond to customer questions via phone, email, social media, and chat.
- **Resolving customer issues:** Customer care providers should listen actively to customer concerns, understand the root cause, and provide timely solutions.
- **Requesting feedback:** Customer care providers should request feedback to ensure that solutions have been effective and to strengthen customer relationships.
- **Maintaining customer record:** Customer care providers should keep accurate records of customer interactions and transactions in the CRM (Customer Relationship Management) system.
- **Collaborating with other team member:** Customer care providers should collaborate with other team members and departments to ensure customer satisfaction.
- **Following company policies:** Customer care providers should follow company policies and procedures when handling customer requests and issues.
- **Improving communication skills:** Customer care providers should continuously strive to improve their communication skills through training programs.

[101] https://acesse.one/zHeEg

- **Customer care principles**

  A principle is an accepted norm or rule. We use principles to guide us in our everyday lives. One example is that you should treat others as you would like to be treated yourself.

  Customer care principles are often summarised by **mottos or slogans**. For example: The customer is always right and the customer is the boss. The Principles of customer care include the following:

  - ✓ **The customer is boss!** All products, goods and services must be designed to meet customer's needs. It is therefore the customer who dictates the design and nature of goods or services to be produced and provided.
  - ✓ **Never argue with a customer.** A customer is the only one who deserves the right of choice.
  - ✓ **Do not confront a customer.** Confronting a customer is the act of threatening a customer. Always be respectful and listen to the needs of the customer by doing the following:
    - Listen carefully
    - Respond quickly
    - Be patient
    - Exercise courtesy
    - Be a team player

- **Techniques for determining customer preferences, needs and expectations**

  The following are techniques for determining customer preferences, needs and expectations:

  - ✓ **Active listening** can be a technique for determining customer preferences by helping you understand their needs, emotions, and intentions. Active listening can also help you build trust and rapport with customers, which can make them more likely to share their preferences.

- ✓ **Asking question** is a technique for identifying the needs for customers for example, you can use open-ended questions to explore customer motivations, challenges, and goals. You can also use closed-ended questions to measure customer satisfaction, loyalty, and preferences.
- ✓ **Observation** is a technique for determining customer preferences by helping businesses understand how consumers behave in a retail or service environment. Observation can help businesses gain insights into consumer preferences, motivations, emotions, pain points, and satisfaction.
- ✓ **Recognition of non-verbal signs:** Body language is a powerful non-verbal tool, as it can help to express emotions and give messages without words. For customer service, it's important to focus on open and welcoming body language, as this can make customers feel more at ease.

- **Anticipation of customer's needs, expectations and preferences**

Anticipating customer needs is an essential aspect of providing exceptional customer service.

By understanding the customer's journey, paying attention to details, offering personalized service, providing proactive support, and using technology, you can anticipate their needs and exceed their expectations.

Here are some tips for anticipating customer needs:

- ✓ **Gather customer data**: Use surveys, interviews, feedback forms, reviews, social media, analytics, and customer relationship management (CRM) systems to learn about your customers.
- ✓ **Segment customers**: Group customers based on demographics, behaviors, needs, and preferences. This allows you to tailor your products, services, and communications to each group.
- ✓ **Be proactive:** Once you're aware of common customer problems, proactively give customers information instead of waiting for them to ask questions.

- ✓ **Empathize**; Show customers that you understand and appreciate their needs and circumstances.
- ✓ **Collect customer feedback**: Provide a suggestion box so customers can give you helpful information

- **Types of customer needs**

  Customer needs are the main target of the business. The needs of the customers are different depending on the kind of the customers. The needs are in categories such as functional, social and emotional.

  Categories of customer needs.

  Customer needs can be categorized into three main types:

  - ✓ **Functional needs:** The most obvious type of customer need, where customers evaluate potential solutions based on whether they can help them achieve a task.
  - ✓ **Social needs:** How a customer wants to be perceived by others when using a product or service.
  - ✓ **Emotional needs:** How a customer wants to feel when using a product or service.

    Customers also have other needs, such as:

  - ✓ **Transparency**: Customers want to know what to expect when purchasing a product or service.
  - ✓ **Empathy**: Customers need to know that the organization understands and appreciates their needs and circumstances.
  - ✓ **New customers**: New customers need to be welcomed and made to feel comfortable.

- **Factors influencing customer preferences, needs and expectations [102]**

  These factors include the following:

  - ✓ **Psychological factors**: Consumer perception is key to conversion, and ads, promotions, social media, level of advertisement and reviews can all impact a customer's decision to buy.

[102] https://acesse.one/2QXBR

- ✓ **Personal factors**: A customer's age, income, gender, lifestyle, and personality can all influence their buying behavior, special needs, prior knowledge.
- ✓ **Social and cultural characteristics:** The values and ideologies of a community or group of people can have a strong influence on consumer behavior. For example: Fashion, consumer habits
- ✓ **Economic factors**: External conditions like the economic climate can impact a customer's purchasing power and market trends.
- ✓ **Convenience**: How convenient a customer finds a product or service can influence their decision to buy.
- ✓ **Price of goods and that of substitutes**: Customers want to get good value for their money, and are more likely to be satisfied if they perceive the price to be fair.
- ✓ **Accessibility**: Customers want to be able to communicate with a business when and where they need to, whether in person, online, or via mobile.
- ✓ **Season:** Consumers tend to be more interested in products that are relevant to the season. For example, during the winter season, consumers are more likely to purchase items such as heaters and winter clothing, while during the summer season, they tend to opt for swimming gear and summer clothing.

- **Tips for satisfying customer preferences, needs and expectations**

  The following for satisfying customer preferences, needs, and expectation: [103]

  - ✓ **Use professional language:** Using professional language can help satisfy customer needs by building trust, creating a positive experience, and reducing stress and frustration.
  - ✓ **Use of professional tone of voice**: Your tone of voice greatly influences the customer's perception of your service. By being

[103] https://acesse.one/rHShc

attentive, empathetic, and adopting a tone that aligns with the customer's needs, you can satisfy customer experience.

- ✓ **Respond promptly (give feedback promptly)**: Listen to your customers' feedback and act on it.
- ✓ **Understand your customers**: Get to know your target audience and what they need and expect.
- ✓ **Prioritize customer needs**: Focus on meeting the most important needs of your customers.
- ✓ **Personalize the experience**: Segment your customers and create buyer personas to understand who your typical customer is.
- ✓ **Be proactive**: Go the extra mile to understand customer expectations and take proactive measures.
- ✓ **Leverage social media**: Monitor your company's social media accounts for customer queries and concerns.

- **Customer satisfaction**
  - ✓ **Meaning of customer satisfaction**

    Customer satisfaction is a measure of how happy customers are with a company's products, services, or experiences. It's a key factor in a business's success[104].
  - ✓ **Importance of customer satisfaction.[105]**

    Customer satisfaction is important because it can lead to many benefits for a business, including:
    - **Increased customer loyalty**: Satisfied customers are more likely to return and be loyal to a brand.
    - **Higher retention rates**: Businesses can reduce customer churn by consistently measuring satisfaction and fixing issues early.
    - **Improved brand reputation**: Satisfied customers are more likely to recommend a brand to others, which can lead to new customers and increased brand awareness.

[104] https://surl.li/ixedvt
[105] https://l1nk.dev/43ZiY

- **Increased revenue**: Retaining existing customers is more cost-effective than acquiring new ones.
- **Reduced support costs**: Businesses can save time and effort by keeping existing customers happy.
- **Competitive advantage**: Satisfied customers can give a business a competitive edge.

- **Consequences of customer dissatisfaction.**[106]

  Customer dissatisfaction can have many consequences for a business, including:

  - ✓ **Damaged reputation**: Customers share their negative experiences online, especially if they feel wronged. This can seriously damage a business's reputation, especially if it's online.
  - ✓ **Decreased loyalty**: Poor customer experiences can erode trust and loyalty, making customers more likely to switch to competitors.
  - ✓ **Loss of customers**: Word of mouth travels quickly, so dissatisfied customers can lead to a loss of both current and future customers.
  - ✓ **Missed opportunities**: Poor call handling can mean that potential customers move on to a competitor.
  - ✓ **Increased costs**: Retaining existing customers is generally less expensive than recruiting new ones.
  - ✓ **Loss of profits**: Customer dissatisfaction can lead to a loss of profits.
  - ✓ **Loss of best employees**: Customer dissatisfaction can lead to a loss of the best employees.

- **Promotion of products and services.**

  - ✓ **Meaning of product promotion**

    Product promotion[107] is the process of marketing a product to potential and existing customers to increase sales and customer loyalty. It's a key component of the marketing mix, along with Product, Price, and Place.

[106] https://acesse.one/p3O6Y
[107] https://surl.li/jctfwd

- **Ways of promoting the business' products and services .[108]**
  - **Know your target market:** Before you start promoting your new product or service, you need to have a clear understanding of who your ideal customers are, what their needs and wants are, and how they make purchasing decisions.
  - **Define your unique selling proposition:** Your unique selling proposition (USP) is what makes your product or service different from and better than the alternatives in the market. It is the core benefit or value that you offer to your customers that solves their problem or satisfies their desire.
  - **Choose your marketing channel:** Once you have your target market and your USP, you need to decide how you will reach and communicate with your prospects and customers. There are many marketing channels that you can use to promote your new product or service, such as website, email, social media, blog, video, podcast, webinars, events, press releases, influencers, referrals, and more.
  - **Create a launch plan:** A launch plan is a detailed roadmap that outlines the steps and actions that you will take to launch your new product or service to the market. It includes the goals, the timeline, the budget, the resources, the responsibilities, the metrics, and the contingencies for your launch campaign.
  - **Build anticipation and excitement:** One of the best ways to promote your new product or service is to create a sense of anticipation and excitement among your target audience before you launch. This can help you generate buzz, increase awareness, and attract interest and curiosity.
  - **Ask for feedback and testimonial:** After you launch your new product or service, you should not stop promoting it. You should continue to market it and grow your customer base by asking for

[108] https://l1nk.dev/3Robu

feedback and testimonials from your early adopters and satisfied customers.

- **Resolving customer care complaints**

  Customer complaints are basically customers letting you know that there is a gap between what they expect and what your company is offering.[109]

  A customer complaint is a statement of dissatisfaction made to a responsible party about a product or service that did not meet the customer's expectations. Complaints can also be a way for consumers to provide documentation about a problem.[110]

  Some common reasons customers complain include: poor customer service, low quality goods or services, unexpected costs, long wait times, and inconsistent information.

- **Procedures for handling customer complaints.**

  A procedure for handling customer complaints is a set of rules and guidelines for addressing customer dissatisfaction with a service or product. The following are procedures used to handle customer's complaints.

  - ✓ **Listen actively:** Stop what you're doing and concentrate on the customer. Show that you're engaged in the conversation and that you understand the customer's problem.
  - ✓ **Reformulate:** After knowing what a customer's state is you have a handful of options. Now, if the customer is disappointed you should let them elaborate on how that disappointment can be managed. On the other hand, a frustrated customer will express their emotions very clearly. The same goes for customers that are agitated or angry.
  - ✓ **Solve:** This is the step where the identified problem is solved in pacific way. To handle customer complaints, you can offer a solution that meets the customer's needs.
  - ✓ **Provide feedback:** Customer feedback is important for handling complaints because it can help businesses identify areas for improvement and make changes to ensure customer satisfaction.

[109] https://fluentsupport.com/resolving-customer-complaints/
[110] https://acesse.one/IQ7gi

- ✓ **Offer something extra or complimentary**: Offering something extra to a customer in response to a complaint can be a way to make up for the inconvenience and demonstrate your commitment to customer satisfaction. Here are some ways you can do this: offer a refund, provide a replacement, offering discount, offer additional service.
- ✓ **Follow up:** Following up with a customer after resolving a complaint is an important step in the customer complaint process. It demonstrates your commitment to the customer's satisfaction and can help turn a negative experience into a positive one. You can follow up with a customer by: sending an email, sending a social media message, sending an SMS, and calling them.
- ✓ **Service recovery:** Service recovery can help businesses handle customer complaints by addressing and resolving issues promptly. Here are some steps that can be taken to handle customer complaints through service recovery such apologize, listen, take ownership.

- **Difficult service situations**

  A difficult service situation is a situation that is not easy to deal with, understand, or do, and can be caused by a variety of factor. **Those factors include the following:**[111]

  - ✓ **Customer characteristics**: Customers can be angry, impatient, hostile, or aggressive.
  - ✓ **Customer emotions**: Customers can become emotional when dealing with customer service, either because they are upset or eager to fix an issue.
  - ✓ **Lack of communication**: Customers may not feel able to speak up about something they feel is wrong.

- **There some tips for dealing with difficult service situations: these include the following:**

  - ✓ **Acknowledge your emotions**: Give yourself permission to feel what you feel.

[111] https://l1nk.dev/vFL7b

- ✓ **Practice active listening**: Let customers speak and approach the situation with the intent to understand them.
- ✓ **Stay calm and understanding:** If the customer is emotional, remain calm and understanding while acknowledging their feelings.
- ✓ **Take time to cool off:** Give yourself time to think and remain focused on identifying the real needs and interests of the other person and yourself.

- **Difficult service situation may include the following:**
  - ✓ **Fire outbreak**: A fire outbreak can have a significant impact on a business's customer service, including:
    - **Downtime**: A fire can cause a business to be unable to contact customers, ship goods, or provide services, which can lead to customers going elsewhere.
    - **Reputation:** A fire can damage a business's reputation if it can't deliver on its promises.
    - **Lost revenue**: Fire outbreak reduces business's revenue, making it difficult to regain customers and lost money.
  - ✓ **Water leakage:** Water leakage represents a difficult services situation because it combines the need for rapid response, emotional distress while providing services to the customers.
  - ✓ **Short circuit and injuries:** Both short circuit and injuries represent difficult service situations because they involve sudden, high-risk events, emotional distress in customers and customer care providers.
  - ✓ **Intruder:** An intruder is someone who enters a place without permission in order to commit a crime. When someone enters in a work place, both customers and customers service officers are negatively affected. They are affected in a way such as high stress, being hurt, …
  - ✓ **Techniques for resolving difficult service situations**

    A difficult service situation is a customer interaction that can be complicated by a customer's behavior or characteristics. Some examples of difficult customer behaviors include: being rude or aggressive, being impatient, demanding immediate attention, lack of willingness to cooperate or solve problems, and having a raised tone.

Techniques for resolving difficult service situations include the following:

- **Notify everyone** about the incident for rescue if necessary. This is done for taking corrective actions
- **Call for assistance:** This helps in bringing in the right expertise, resources and support needed to address the problem effectively and efficiently.
- **Monitoring and Communicate:** Communication ensures there is immediate understanding of the situation, providing clear instructions and guidance. Communication explains the company's position and any necessary steps to resolve the issue. Be transparent and manage expectations.
- **Provide solutions:** This technique ensures that the right actions are taken to alleviate the issues by providing comprehensive responses. It helps in proper resource allocation, and prevention of future occurrences.
- Record and report the incident information to the interested parties.

Activity 2: Guided Practice.

Task 39: Read and answer the following questions:

Assume that you are have been hired as a customer care officer in ABS Ltd Co. and some customers are not feeling well with the service provided and this is harming the business sales. As an officer in charge of customer care, resolve difficult service situations and give feed back to the CEO of the company about how the situation has been rectified.

Activity 3: Application

Task 40: Read the following scenario and answer the question on it:

Let's say that you own a business that deals with dairy products and the Ministry of Youth has the project of funding the outstanding businesses that have been well designed and presented. Elaborate service delivery explanatory indicating:

a. Customers recruitment and retention
b. Customer needs, preferences and expectations.

Formative Assessment

Attempt all questions:

1. When business operates, the main intention is to satisfy the needs of customers. Suppose that you own a business and you fight for satisfying all the needs of customers
   a. Define the term goods and services in the business context
   b. Is it important to know your business products? If the answer is Yes, how important is it?
   c. Goods and services of the business are the totally the same. True or False.
   d. Describe the service delivery procedures in the business operation
2. Read and answer the following questions.
   a. How can you define the term customer care?
   b. While giving customer care, which principles can you adopt in your business?
   c. Which factors influencing customer preferences, needs and expectations.
3. Suppose that you are offering business services and some of your customers are so stubborn and so difficult.
   a. How can you define the term customer complaint?
   b. Describe procedures can you follow while handling customer complaints?
   c. Explain the techniques for resolving difficult service situations in business?

Points to Remember

- **Kindly, respect ethical considerations for customer care such as:**
  - ✓ **Transparency**
  - ✓ **Listening to customers**
  - ✓ **Being honest**
  - ✓ **Avoiding misleading customers.**

Self-Reflection

1. Read the statements across the top. Put a check in a column that best represents your level of knowledge, skills and attitudes.

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe goods and services in business context					
Demonstrate the tips on knowing your products and services. Demonstrate teamwork spirit while working in group					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Explain the importance of knowing your products and services					
Describe the tips on knowing your products and services					
Describe the difference between goods and services					
Justify the market opportunities for the business					
Demonstrate the Service delivery procedures					
Consider ethical practices while justifying the market opportunities for the business.					
Explain the importance of product and service adjustment on					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
customer satisfaction.					
Carry out the products and service adjustment					
Consider ethical culture while carrying product and service adjustment procedures					
Explain the key terms of customer care such as customer, client, customer service,					
Demonstrate customer profile					
Show professionalism while demonstrating customer profile					
Describe the customer care principles.					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Demonstrate the principle of customer care.					
Show group work spirit while working in group					
Describe the techniques used to determine customer preferences, needs and expectations.					
Describe the anticipations of customer's needs, expectations and preferences					
Demonstrate professionalism while demonstrating determining customer preferences, needs and expectations.					
Show group work spirit					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
while working in group					
Explain the factors influencing customer preferences, needs and expectations.					
Explain the tips for satisfying customer preferences, needs and expectations					
Explain the importance of customer satisfaction for the business					
Explain the consequences of customer dissatisfaction					
Explain how to promote products and services					
Demonstrate the methods used for promoting					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe customer complaint.					
Procedures for handling customer complaints					
Show procedures for handling customer complaints					
Show professionalism while showing procedures for handling customer complaints .					
Describe the difficult service situations					
Demonstrate the difficult service situation					
Explain the techniques for resolving difficult Service situations.					
Explain the techniques for resolving					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
difficult Service situations.					
Demonstrate the technique for resolving difficult services situations.					
Demonstrate professionalism while showing					

2. Fill in the table above and share results with the trainer for further guidance.

Areas of strength	Areas for improvement	Actions to be taken to improve
1. **2.** **3.**	**1.** **2.** **3.**	**1.** **2.** **3.**

UNIT 5: MONITOR AND EVALUATE THE BUSINESS

Unit summary

This unit provides you with the knowledge, skills and attitudes required to monitor and evaluate the business. It covers elaboration of dairy report of business activity conducting employees meeting and consultation of business plan.

Self-assessment: Unit 5

1. Referring to the unit illustration above, discuss the following:
   a. What do pictures above illustrate?
   b. Based on the illustration, what do you think this unit is concerned
   c. Based on the illustration, what do you think this unit is concerned?
2. Fill and complete the self-assessment table below to assess your level of knowledge, skills and attitudes under this unit:
   a. There is no right or wrong way to answer this assessment. It is for your own reference and self-reflection on the knowledge, skills and attitude acquisition during the learning process.
   b. Think about yourself: Do you think you have the knowledge, skills and attitudes to do the task? How well?
   c. Read the statement across the top. Put a check in a column that represents your level of your knowledge, skills and attitudes
   d. At the end of this unit, you will re-assess yourself.

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe the business daily report.					
Explain the importance of business daily reports to the business					
Explain the effectiveness of employees' meeting.					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Explain the purpose of employees' meeting					
Describe the elements of preparing effective employee's meeting.					
Show team work spirit while working in group					
Describe the ways to make employee meeting successful					
Explain the purpose of consulting business plan during a business operation.					
8. Describe the business plan for the business operations.					
Design a format of daily report of the business activities.					
Conduct effective employee's meeting					
Design the critical parts of the business plan to be considered while running business.					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Consider the business ethics while designing the critical parts of a business plan.					
Demonstrate teamwork spirit while working in group					
Using business plan as tool for business communication					
Consider the business professional ethics while using a business plan as a tool for business communication.					

Key Competencies:

Knowledge	Skills	Attitudes
1. Describe the business daily report	1. Design a format of daily report of the business activities.	1. Demonstrate teamwork spirit while working in group
2. Explain the importance of business daily reports to the business	2. Conduct effective employee's meeting	2. Demonstrate business ethics while conducting
3. Explain the effectiveness of employees' meeting.	3. Using business plan as tool for business communication	3. employees 'meeting
1. Explain the purpose of employees' meeting	4.	4. Show team work spirit while working in group
2. Describe the elements of preparing effective employee's meeting.		5. Consider the business ethics while designing the critical parts of a business plan.
3. Describe the ways to make employee meeting successful		6. Consider the business professional ethics while using a business plan as a tool for business communication.

Knowledge	Skills	Attitudes
4. Explain the purpose of consulting business plan during a business operation.		
5. Describe the business plan for the business operations.		

Discovery activity:

Task 41:

1. Suppose that you carry out a business on daily basis.
   a. what is the meaning of business daily report?
   b. How important are business daily report to the business.?
2. While carrying business activities, you sometimes conduct meeting with your employees.
   a. As an entrepreneur, how can define effective employee meeting
   b. Identify the purpose of employee's meeting.
   c. Which ways can you use to make employee meeting successful?
3. While carrying out business activities, an entrepreneur has to always consult the business plan because it shows how all business activities will be carried out.
   a. As an entrepreneur, identify the purpose of consulting business plan during a business operation.
   b. Which critical parts of the business plan to be considered while running business?
   c. How can you use a business plan as tool in business communication?

Topic 5.1: Elaboration of a daily report of business activities.

Figure 15: Format of a business daily report.

Activity 1: Problem Solving

Task 42: Interpret the above figure and answer the questions related on it:

1. Use the knowledge of entrepreneurship to describe the business daily report
2. Do you think it's important to make business daily report to the business? If the answer is Yes, how important is it?
3. Which suitable format do you think a daily report of business activities should have?

Key fact 5.1: Elaboration of daily business activities

- **The meaning of business daily report.**

  Business daily report: It is a record of a business's activities, progress, issues, resolutions, and other important information. It's often created by copying and editing the previous day's entry to reflect any changes.

  Business reporting is the process of collecting, analyzing, and presenting data to help companies monitor their performance and make decisions. The goal is to make relevant information easily accessible to key stakeholders.[112]

  A business daily report typically includes information about activities, progress, issues, resolutions, and site visits. The report is often updated by copying the previous entry and editing it to reflect changes.

  ✓ **Types of business reports that may include a variety of information:**

  - **Business information report**: Includes a company overview, financial information, operational data, market analysis, risk assessments, compliance checks, and due diligence reports
  - **Financial analysis**: Involves interpreting financial statements, analyzing profitability ratios, assessing liquidity and solvency, and evaluating financial performance indicators
  - **Management Information System (MIS) report**: Provides a comprehensive overview of an organization's performance, including in-depth analyses of key factors such as sales, revenue, market trends, and challenges.

- **Importance of business daily report to the business.**

  Business daily reports are important to the business as follows:

  ✓ **Track progress**: Daily reports help businesses track their progress towards goals, such as sales targets and customer engagement.

  ✓ **Identify problems**: Daily reports help businesses identify problem areas and new expansion prospects.

  ✓ **Make decisions**: Daily reports provide the information needed to make evidence-based decisions about marketing strategies, pricing, and more.

  ✓ **Pinpoint strengths**: Daily reports help businesses identify where they are excelling and where to focus more money.

- ✓ **Communicate**: Daily reports are an efficient way to communicate important information to stakeholders, such as upper management and board members.

- **Format of a daily report of business activities**

  A daily business activity report, also known as a Daily Activity Report (DAR), is a summary of an employee's work activities for a given day. It is a valuable tool for managers to monitor their employees' activity and productivity. It can include information about:

  - ✓ **Employees address**: it includes names, ID, department and even supervisor
  - ✓ **Tasks/work assigned**: A list of tasks or projects completed, along with the time spent on each.
  - ✓ **Task status (work completed/not completed)**: Whether a task is complete, in progress, or pending.
  - ✓ **Time spent:** The start and end time
  - ✓ **Challenges**: Any obstacles or difficulties encountered
  - ✓ **Achievements**: Any accomplishments or milestones reached.

Sample daily report of business activities

WEEKLY WORK REPORT

EMPLOYEE NAME: ______________________

EMPLOYEE ID : ______________________

DEPARTMENT : ______________________

LOCATION : ______________________

SUPERVISOR : ______________________

DATE	WORK ASSIGNED	START	END	TOTAL HOURS

SIGNATURE

____

Another Format of a daily report of business activities.

An employee name: ……………

An employee ID: ………………….

Department: ……………………….

Supervisor: …………………………

Date	Assigned work	Work status	Start	End	Work achievement	Challenges

Table 3: Format of daily report of business activities.

Activity 2: Guided Practices

Task 43: Read and answer to the following questions in a group of 4:

The following table illustrates business activities of AKEZA Business ltd, that have been done on the 22nd.December.2024. Make a daily report for the business.

S/N	Activity	Values
1	Purchases of stock	500,000
2	Delivering stationery	200,000
3	Sales promotion	100,000
4	Public relations	700,000
5	Manufacturing	4000,000
6	Selling finished goods	3,500,000.

Activity 3: Application

Task 44: Read and answer the following question:

You are hired to support a business organization for evaluating the daily activities in Kamira Co. Ltd. Among the activities to be evaluated, salaries and wages, daily sales revenues and expenses, daily purchases, cash flow, daily stock and mission paid are included. Evaluate all these activities and make a daily report to the business manager.

Topic 5.2: Conducting employee's meeting.

Table 4: Employees' meeting

Activity 1: Problem Solving

Task 45: Read and answer the following questions

1. Suppose that you are managing any organization that has more than 20 employees and on weekly plan, there is a weekly meeting on each Friday evening:
   a. What does the above illustration intend to show?
   b. As a manager, how can you define effective employee's meeting?
   c. What do you think are importance of conducting employee's meeting?
   d. What can you include in the preparation of effective employee's meeting?
   e. Which techniques can you use to make employees' meeting successful?

Key fact 5.2: Conducting employee's meeting.

- **Meaning of effective employees' meeting**

  An effective employee meeting [113] is a well-organized meeting where employees are engaged and productive, and everyone leaves with new insights.

  Here are some tips for conducting an effective employee meeting:

  ✓ **Share an agenda**: Share the agenda in advance and review it at the beginning of the meeting.

  ✓ **Start on time**: Keep to the time allotted for the meeting.

  ✓ **Encourage participation**: Let everyone participate and allow time for questions.

  ✓ **Celebrate achievements**: Express gratitude and celebrate achievements.

  ✓ **Seek feedback**: Ask for feedback to improve future meetings.

  ✓ **Avoid distractions**: Avoid multitasking, eating, socializing, and getting up and leaving.

  ✓ **Keep it business-like**: Keep the meeting focused on business.

[113] https://l1nk.dev/Bqugs

- **Purpose of employee's meeting**

  Staff meetings are necessary parts of a healthy company atmosphere because they promote communication, encourage honest employee feedback and motivate team initiative.[114] Employee meetings have many purposes, including:[115]

  - ✓ **Sharing information**: Managers can share important information and updates with their staff.
  - ✓ **Discussing issues**: Employees can address issues and share their opinions.
  - ✓ **Making decisions**: Meetings can be a place to make key decisions and commit to actions.
  - ✓ **Creating a team spirit**: Meetings can help build a sense of team spirit and reinforce company culture and values.
  - ✓ **Getting feedback**: Meetings can be a way to ask for feedback from employees.
  - ✓ **Developing relationships**: Meetings can help develop working relationships among team members.
  - ✓ **Identifying improvement areas**: Meetings can help identify areas for improvement.
  - ✓ **Establishing future plans**: Meetings can be a place to establish future plans.
  - ✓ A well-run meeting can help **keep a workplace running smoothly.** An agenda can help participants prepare for the meeting and guide the discussion

- **Elements of preparing effective employees' meeting**

  The following are elements of preparing effective employee's meeting:

  - ✓ **Setting meeting objectives: This m**eans establishing measurable goals for a meeting that outline what the meeting will achieve and how time will be spent. When preparing an effective employee meeting, you can set objectives by:
  - ✓ **Defining outcomes**: Clearly define the desired outcomes for the meeting, and limit them to 2–3 key objectives.

[114] https://acesse.dev/KRUJM
[115] https://acesse.one/qxS93

- ✓ **Sharing objectives**: Share the objectives with attendees ahead of time so they can come prepared.
- ✓ **Creating an agenda**: Create an agenda that outlines the topics to be discussed, who will lead each discussion, and the expected outcomes.
- ✓ **Preparing meeting requirements:** Some requirements prepared is like define the purpose, create an agenda, select participants, prepare materials and equipment, set a time limit.
- ✓ **Running employee's meeting:** Running employee's meeting: The kick off the meeting and run through the agenda order, often getting the little administrative stuff out of the may first. For creating a successful employee's meeting, create an agenda, set a goal, take notes, acknowledge accomplishments, discuss challenges.

- **Ways to make employees' meeting successful**

  For having a successful employees' meeting, the following ways can be used:

  - ✓ **Facilitate brainstorming session:** Ask questions to encourage audience participation and to find out what employees want from their work.
  - ✓ **Stand up: This is taken an icebreaker**: An icebreaker or exercise can energize employees and motivate them to stay engaged.
  - ✓ **Set meeting goals together:** Setting goals with employees can make meetings successful by:
    - Improving communication.
    - Boosting engagement.
    - Aligning individual performance with organizational objectives
  - ✓ **Offer incentives and rewards:** Offering incentives and rewards can make employee meetings successful by boosting morale, driving collaboration, creating healthy competition. This finally improves employee's productivity.
  - ✓ **Set a clear framework in advance:** This will Keep the meeting so brief and Stay on topic and focused on the agenda.

Activity 2: Guided Practice

Task 46: Read and answer the following questions:

UPIR boss is invited by local leaders to conduct a meeting with local infant firms. Assist her to prepare a meeting agenda that will be followed during the meeting.

Activity 3: Application

Task 47: Read and answer the following questions:

Your big sister is the owner of KAMOS Company where there are issues affecting the functionality of the company and you are delegated as a person who is equipped with managerial skills to solve the issue as professionally as possible. Conduct an effective employee's meeting for solving the issues and report to your sister how the issues have been solved.

Topic 5.3: Consultation on business plan for monitoring and evaluation of operations.

Figure 16: Components of a business plan

Activity 1: Problem Solving

Task 48: Interpret the above diagram and answer the following questions:

1. Observe the figure above and answer to the following questions:
   a. What do you see on the figure?
   b. What are the purpose of consulting business plan while managing the business operations?
   c. Identify the critical parts of a business plan that should be consulted while running the business.
   d. How can you use a business plan as a tool in business communication?

Key fact 5.3: Consultation on a business plan during business operation

- **Introduction**

  A Business consultant (from Latin: consultare "to discuss") is a professional who provides professional or expert advice in a particular area such as security (electronic or physical), management, accountancy, law, human resources, marketing (and public relations), finance, engineering, science or any of many others.

  Purpose of Business consultants help organizations to improve their performance and efficiency. These professionals analyze businesses and create solutions while also helping companies meet their goals. A business plan has many purposes, including:

  ✓ **Create an effective strategy for growth:** A business plan can help facilitate growth strategies by providing a framework for planning and executing strategies to grow a business such as market research, marketing strategy, strategic planning, branding, market segmentation.

  ✓ **Determine the future financial needs**: A business plan can help you get funding or attract new business partners. It can help investors feel confident that they'll see a return on their investment.

  ✓ **Attract investors and leaders:** A business plan can attract investors and leaders by providing detailed information that helps them assess whether to invest.

  Other purposes of consulting a business plan include the following:

  ✓ **Guiding your business**: A business plan can help you structure, run, and grow your business. It can also help you:

  ✓ **Make decisions**: A business plan can help you make key decisions, such as those related to marketing, operations, and logistics.

  ✓ **Understand your business**: A business plan can help you understand each element of your business and whether it's likely to succeed.

  ✓ **Reaching milestones**: A business plan can help you reach business milestones.

- ✓ **Advising management**: A business plan can help you advise management.
- ✓ **Attracting customers and employees**: A business plan can help you attract customers and employees.

- **Critical parts of a business plan to be considered while running a business.**

  Critical parts of the business plan to be considered while running business include the following

  - ✓ Executive summary
  - ✓ Business description
  - ✓ Market analysis and strategy
  - ✓ Marketing and sales plan
  - ✓ Competitive analysis
  - ✓ Management and organization
  - ✓ Description of product and services description
  - ✓ Operating plan

- **Using a business plan as a tool**

  Business communication is the exchange of information, ideas, or messages between people within or outside a company for professional purposes.

  It can be verbal, written, visual, or non-verbal, and can take place between a variety of people, including managers, employees, customers, and shareholders.

  - ✓ **Internal communication** Internal business communication is the communication that takes place between employees and within an organization. It can include communication between employees and their superiors, and can take many forms.

    Internal communication is important because it:

    - **Communicates company culture**: It helps employees understand the company's values and history, and what makes it possible to work together.
    - **Improves employee engagement**: It can make employees more committed and improve retention.
    - **Encourages collaboration**: It can help employees find peers with shared interests, and create a stronger workplace.

- ✓ **Communication with partners.**

  Business communication with partners is the exchange of information and dialogue between a business and its partners. It's a key component of successful partnerships, as it helps ensure that everyone is on the same page about goals, strategies, and expectations.

  Here are some tips for effective business communication with partners:

  - **Be transparent**: Share your goals, strategies, and challenges openly to build trust and strengthen the relationship.
  - **Provide regular updates**: Keep partners informed about product changes, promotions, and market trends.
  - **Encourage feedback**: Listen to your partners' ideas and concerns, and value their front-line insights.
  - **Provide clear guidelines**: Make sure your partners have clear information on policies, procedures, and expectations.

- **Communication with financial institutions.**

  Communication with financial institutions can refer to a variety of communication actions, including financial communication, banking communication, internal operational communications.

  Communication with financial institutions is important for a number of reasons, including:

  - ✓ **Improving relationships**: Effective communication can improve relationships between customers, employees, managers, stakeholders, and employers.
  - ✓ **Providing a good customer experience**: Effective communication can create customer satisfaction and loyalty, which can lead to a better customer experience.
  - ✓ **Ensuring compliance**: Secure messaging platforms can help ensure compliance by providing immediate notifications of potential policy or regulatory violations.
  - ✓ **Sharing priorities**: Communication can help share priorities and provide updates on important issues
  - ✓ **Conveying an institution's culture**: Communication can help convey an institution's culture to its customers and communities.

Activity 2: Guided Practice

Task 49: Read the passage and questions on it:

The MALINO Co. Ltd. Is a growing business that has hired you as a public relation officer. Among your responsibilities, you have to find new markets and retaining the old ones, bridging the company to the general public. Kindly, conduct a market survey that is intended to gain an insight into current and potential customers and prepared the relevant report the boss of MALINO CO. Ltd

Activity 3: Application

Task 50: Read the following statement and answer the question on it

Let's say that you are an entrepreneur of TARAMA Co. Ltd that deals with maize flour. In accordance with the business plan all aspects are defined. As it is at the end of the first quarter, Kindly evaluate company production and develop relevant report.

Formative Assessment

Attempt all questions

1. Suppose that you carry out a business on daily basis.
   a. What is the meaning of business daily report?
   b. How important are business daily report to the business.?
2. Choose the right answer:
   a. Effective employee meeting refers to is a well-organized meeting where employees are engaged and productive, and everyone leaves with new insights.
   b. Effective employee meeting refers to is a well-organized mitigation where employees are engaged and productive, and everyone leaves with new insights.
   c. Effective employee meeting refers to is a well-organized meeting where employees are not engaged and productive, and everyone leaves with new insights.
   d. All of the above
   e. None of the above.
3. While carrying business activities, you conduct meeting with your employees.
   a. As an entrepreneur, how can define effective employee meeting.
   b. Identify the purpose of employee's meeting.
   c. Which ways can you use to make employee meeting successful?
4. While carrying out business activities, an entrepreneur has to always consult the business plan because it shows how all business activities will be carried out.
   a. As an entrepreneur, identify the purpose of consulting business plan during a business operation.
   b. Describe the critical parts of the business plan to be considered while running business?
   c. How can you use a business plan as tool to communicate with partners?

Points to Remember

- Always consider the criteria or objectives mentioned in the business plan while monitoring and evaluating the business.
- Kindly, remember to consider indicators while monitoring and evaluating the business.

Self-reflection

1. Read the statements across the top. Put a check in a column that best represents your level of knowledge, skills and attitudes.

My experience **Knowledge, skills and attitudes**	**I do not have any experience doing this.**	**I know a little about this.**	**I have some experience doing this.**	**I have a lot of experience with this.**	**I am confident in my ability to do this.**
Describe the business daily report.					
Explain the importance of business daily reports to the business					
Explain the effectiveness of employees' meeting.					
Explain the purpose of employees' meeting					
Describe the elements of preparing effective employee's meeting.					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Show team work spirit while working in group					
Describe the ways to make employee meeting successful					
Explain the purpose of consulting business plan during a business operation.					
Describe the business plan for the business operations.					
Design a format of daily report of the business activities.					
Conduct effective employee's meeting					
Design the critical parts of the business plan to be considered while running business.					
Consider the business ethics while designing the critical parts of a business plan.					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Demonstrate teamwork spirit while working in group					
Using business plan as tool for business communication					
Consider the business professional ethics while using a business plan as a tool for business communication.					

2. Fill in the table above and share results with the trainer for further guidance.

Areas of strength	Areas for improvement	Actions to be taken to improve
1. **2.** **3.**	**1.** **2.** **3.**	**1.** **2.** **3.**

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